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# ***Daily Report***

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## **China**

**FBIS-CHI-89-139**

**Friday**

**21 July 1989**

# Daily Report

## China

FBIS-CHI-89-139

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21 July 1989

NOTICE TO READERS: An \* indicates material not previously disseminated in electronic form.

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**General**

**Paper Refutes Denial of Foreign Publications Ban**

HK2107021189 Hong Kong SOUTH CHINA  
MORNING POST in English 21 Jul 89 p 10

[By Seth Faison in Beijing]

[Text] China's Foreign Ministry yesterday denied that a blanket ban had been issued on all Hong Kong and foreign publications, including the SOUTH CHINA MORNING POST.

"We do not refuse all foreign magazines, books and newspapers," ministry spokeswoman Li Jinhua said.

Entry had been blocked, she said, only for those publications that "bear content that interfered in China's internal affairs" and that "hurt the national feelings of the Chinese people".

She said the decision to ban publications had been made by the Chinese distributor.

In contrast to her comments, an official at the distributor, the National Publications Import and Export Corporation, said that all imported newspapers were affected by the ban.

Even TA KUNG PAO, the pro-Beijing daily based in the territory, was included, he said.

Ms Li declined to specify what the SOUTH CHINA MORNING POST had done wrong to be included in the ban.

She also declined to say what in USA TODAY, another publication affected by the ban, had specifically "hurt the feelings of the Chinese people".

The publications official pointed out that subscription copies had not been affected by the ban.

But he confirmed that a few individual issues of publications deemed especially unacceptable to the Chinese Government had been stopped altogether.

One such example was the June 5 issue of NEWSWEEK magazine, whose cover photograph portrayed a protesting student with a drawing of Prime Minister Li Peng with a Nazi swastika on his forehead.

The ban is the first of its kind since China launched its open door policy a decade ago.

**MOFERT Vice Minister on Opening-Up Policy**

HK2007091089 Beijing RENMIN RIBAO OVERSEAS  
EDITION In Chinese 20 Jul 89 p 1

[Article by Qin Jingwu (4440 0079 0582): "Vice Minister of Foreign Economic Relations and Trade Shen Jueren Speaks to Foreign Businessmen Taking Part in the Beijing Exposition on China Continuing the Opening-up Policy"]

[Text] Beijing, 19 July (RENMIN RIBAO OVERSEAS EDITION)—Today, after introducing China's policies on trade investment and opening up to the outside world to foreign diplomats in Beijing; foreign businessmen; and representatives of foreign commercial companies, delegations, and factories participating in the first Beijing International Exposition, MOFERT Vice Minister Shen Jueren pointed out: China's doors, already opened to the outside world, will not be closed.

First, Mr Shen congratulated the Beijing Exposition, which has lasted 5 days since its opening, for its remarkable successes. He said: That this exposition was sponsored at a time when people had doubted if China would continue its policy of reform and opening up to the outside world shows that China will continue opening itself up. According to Mr Shen, China is in good shape with respect to its foreign exchange reserve growth and the banks' payment capabilities. During the first 6 months of this year, China approved 3,090 projects involving foreign investment, an increase of 44.7 percent over the same period last year. The contract value of foreign investment totalled \$6.438 billion and the paid-up foreign investment is \$4.5 billion, an increase of 19.8 percent and 14.6 percent respectively over that during the same period last year. This shows that the policy of reform and opening up to the outside world is correct. One important factor responsible for China's longstanding stagnation and backwardness in the past was national seclusion. The practice over the last decade has proved that the policy of reform and opening up to the outside is the road that will make our country strong, and it will remain unchanged.

When dealing with China's opening up to the outside world, Mr Shen pointed out: China opens itself to the whole world, including Western countries, socialist countries, and the vast numbers of developing countries. China and the developed countries in the West are at different stages of economic development, but each has its own strong points. They are highly capable of helping supply each other's needs, and therefore there are broad prospects for trade, economic, and technological exchanges between the two parties. However, China currently has too large a trade deficit. Only through exporting more can China import more. Therefore, this problem needs a concerted efforts from both sides. China will organize production according to the market demands of related countries; and will improve product quality and grades, packaging, conditions for delivery of goods, and after-sale services so as to enhance the competitiveness of its export products. At the same time,

we hope that foreign countries will reduce and even lift their restrictions on the import of Chinese commodities, rescind discriminative legal provisions, and relax their restrictions on the export of technology to China. To further develop our economic relations and trade with other countries, we should expand exports and proceed to promote the development of economic relations with other countries. China will adopt many and varied flexible forms to promote the sale of its products and make things convenient for its customers in the light of international practices.

In view of China's limited foreign exchange in the import sector at present, we should ensure the import of materials for farm use and the people's daily necessities, and make proper arrangements for raw and semifinished materials necessary for industrial production and the import of advanced applied technology and key equipment. Owing to limited foreign exchange, it is certain that we should import less, or no consumer goods at all, in particular, high-grade consumer goods.

When talking about controlling the scope of foreign debts, Mr Shen pointed out: China has always limited its foreign debts to about 15 percent of the foreign exchange earnings through exports in the same year of borrowing. China has the capability to repay its foreign debts. At present, the priority in using foreign capital is focused on 1) energy, transportation, telecommunications, and raw and semifinished materials; 2) the technological transformation of engineering and electronic industries; and 3) enhancement of the state's capability to earn foreign exchange through exports and to produce substitutes for imports. Meanwhile, we should pay attention to the economic results of the use of foreign capital and make sure that all projects using foreign capital will have a repayment or comprehensive repayment capability, and that their capital utilization rate and foreign exchange earning rate will be higher than their rate of repayment of capital with interest. In the days to come, importance will be attached to direct foreign investment.

Mr Shen pointed out: Governments of some countries are now applying political and economic pressure on our country. It was shortsighted and extremely unwise for them to do so. It will hurt not only China but also themselves. China has economic and trade relations with more than 180 countries and regions. China's market has huge potentials. We hope that these governments will adopt a farsighted point of view, keep in mind the long-term interests of bilateral relations, and refrain from doing anything detrimental to such relations.

**Paris Summit Criticized on North-South Relations**  
HK2007052089 Beijing RENMIN RIBAO in Chinese  
18 Jul 89 p 3

[Article by Staff Reporter Zhang Qihua (1728 0796 5478): "Stressing 'East-West' but Neglecting 'North-South'—Discussing the 15th Summit of Seven Western Countries"]

[Text] Paris, 17 Jul—This year's summit meeting of the seven Western countries has just concluded. The meeting

published an economic declaration and several political statements which indicated that the leaders had achieved an identical position on such issues as East-West relations, environmental protection, and Third World debts. This did not go beyond people's expectations. However, some people guessed before the summit meeting that the seven leaders would discuss the issue of North-South dialogue as more than 20 leaders of developing nations came to participate in the celebration activities of France's National Day—this did not become true.

In today's world, "developing countries need the help from developed countries; similarly, the future of developed countries will depend, to a large degree, on the developing countries" (a quotation of French Foreign Minister Roland Dumas). Many facts show that dialogue, exchanges, and cooperation between the North and the South cannot be replaced by anything else. On the eve of the summit, thousands of people held demonstrations and rallies, and some people also organized a discussion meeting attended by seven poor countries, including India, Egypt, Senegal, and Venezuela, whose leaders issued a joint statement calling for the holding of regular North-South conferences as soon as possible. However, all this did not attract necessary attention from the Western summit, and its lengthy declaration did not mention the North-South conference at all. This issue was put forward at the Cancun Conference 8 years ago, but the wishes of the poor countries have not been realized so far. This must be regarded as a regrettable thing in the Western summit meeting.

On the other hand, the summit meeting attached great importance to East-West relations. When the United States and the Soviet Union were realizing detente and when relations between Eastern and Western Europe were becoming closer, the summit meeting gave prominence to the relationship between the Western world and both the Soviet Union and Eastern Europe in various aspects, and particularly emphasized their relations with Poland and Hungary. The meeting asked the EC Committee to take measures and convene a meeting attended by 18 Western countries to work out concrete procedures for assisting Eastern Europe. People could easily see that the summit meeting stressed East-West relations but neglected North-South relations.

This was related to the attitude of the United States. On the eve of the meeting, some senior American officials even indicated explicitly that their efforts to deal with the issues of environmental protection and the debts should not be diluted by the North-South dialogue. The United States also said that North-South dialogue is just a "technical" issue and should not be turned into a "political" issue. The French leader, who was the host of the summit meeting, once expressed support for the proposal of the four leaders of India, Egypt, Senegal, and Venezuela for holding regular North-South conferences, but the United States still insisted that the Western summit meeting give priority to coordinate their approach to the Soviet Union and Eastern Europe.

Of course, Western Europe shared many common points with the United States on opposing the communist system and pursuing freedom, democracy, and human rights. Proceeding from its own security and economic interests, Western Europe also looked forward to the improvement of East-West relations. Therefore, at the summit meeting, although some countries expressed enthusiasm for North-South dialogue, this did not preclude them from rapidly reaching agreement on East-West relations. Their only difference was that the United States still perceived the Soviet Union as its main rival, but Western Europe only hoped that they would not be threatened by their powerful neighbor.

French public opinion attached great importance to the consensus achieved by the summit meeting on East-West relations, and also showed great sensibility toward the meeting's failing to mention the North-South conference. Some people wrote that the meeting "lost its bearing."

**PLA Paper Censures U.S. Role in Korea**  
*HK2107022589 Beijing JIEFANGJUN BAO*  
*in Chinese 7 Jul 89 p 4*

[Article by Zhai Xin (5049 2946): "U.S. Refusal To Withdraw Its Troops Is an Obstacle to the Peaceful Reunification of Korea—Written on the Occasion of the 'Anti-U.S. Joint Struggle Month'"]

[Text] The period between 25 June and 27 July is Korea's "Anti-U.S. Joint Struggle Month." In various localities of Korea, the people either held large-scale anti-American mass rallies and demonstrations, or carried out various activities to protest against the United States' prolonged pursuance of a hostile policy toward Korea.

As far back 24 years ago, at the Fourth Afro-Asian People's Solidarity Meeting which was held from 9 to 16 May in Winneba, a coastal city of Ghana, all the participants approved a resolution on carrying out the activities of "Anti-U.S. Joint Struggle Month" in order to force the U.S. troops to withdraw from South Korea, and to support the Korean people's struggle to realize their motherland's peaceful reunification.

On 25 June 1950, the United States launched the war of aggression against Korea. The United States joined hands with South Korea's Li Sung-man regime in suddenly imposing the war on the Korean people. Under the leadership of the great leader Comrade Kim Il-song, the Korean people bravely resisted the aggressors. The Chinese volunteers crossed Yalujiang on 25 October 1950 and fought side by side with the Korean people. During 3 years of bloody battles, they drove the enemy back from the side of Yalujiang to the 38th parallel, and forced the United States to sign the truce agreement on 27 July 1953 in Panmunjom, thus winning the great victory in the Korean Motherland Liberation War.

Since the signing of the truce agreement in Korea, 36 years have passed. However, the United States and the South Korean authorities still stubbornly stick to the position of dividing Korea and obstructing Korea's reunification. Korea's territory is still divided into northern and southern parts. For more than 30 years, in order to ease up the tense situation on the Korean peninsula and strive for the early independent and peaceful reunification of the country, North Korea has successively put forward a series of reasonable proposals for holding the North-South Joint Conference, the North-South Political Consultative Conference, and a tripartite meeting of North Korea, South Korea, and the United States; carrying out disarmament in stages; and realizing a package peace program. In particular, President Kim Il-song put forward the scheme of establishing the Korean Democratic Federal Republic in October 1980, and pointed out the orientation of realizing the reunification between the north and the south. The north side of Korea has made unremitting efforts for Korea's peaceful reunification, and this complies with the historical trend and the Korean nation's interests; so it has been supported by the entire Korean people.

However, the United States and the South Korean authorities kept rejecting and obstructing the constructive proposals put forward by the north of Korea. The United States still refuses to withdraw its troops stationed in South Korea, and still continues to intensify the tension on the Korean peninsula. In the past 30 years, the United States deployed more than 1,000 pieces of various nuclear weapons in South Korea; U.S. troops dispatched reconnaissance planes to intrude into the territory of North Korea; the U.S. troops joined hands with South Korean troops in carrying out large-scale joint military exercises to display "team spirit" every spring; and the United States politically tried to create so-called "cross recognition" and "cross contacts" to try to bring North and South Korea "simultaneously" into the United Nations, thus perpetuating the division of Korea. Facts from the war of aggression against Korea in the 1950's and the continuing hostility to the Korean people after the war showed that the United States is the chief plotter who sabotaged peace on the peninsula and impeded Korea's peaceful reunification. The refusal of the United States to withdraw its troops from South Korea has become a serious obstacle to the realization of peaceful reunification in Korea.

The United States rudely interferes in Korea's internal affairs, and this can be traced to both its consistent role as the world's gendarme and its adherence to hegemonism. In the last 10 to 20 years, the United States launched the war of aggression against Vietnam; dispatched troops to invade Grenada; made raids upon Libya; interfered in Panama; and meddled in the unrest in the Middle East, Central America, and Africa.... Recently, when our country quelled a counterrevolutionary rebellion in Beijing, the United States exerted pressure upon our country and blatantly interfered in our country's internal affairs. Therefore, all countries and



peoples in the world who have suffered from the interference of United States and who uphold justice will continue to sympathize with and support the Korean people's struggle against U.S. interference. For more than 20 years after "Anti-U.S. Joint Struggle Month" began, many governments, political parties, and social organizations have carried out activities in various forms to support the Korean people's just struggle every year. The Chinese people and Army constantly support the Korean people's struggle to ease the situation on the Korean peninsula and to realize their motherland's peaceful reunification. People hope that the United States will take actual steps to stop interfering in Korea's internal affairs so that the Korean people can realize their great cause of reunifying their motherland without external interference.

### United States & Canada

**Socialist Democracy 'Better' Than U.S. Democracy**  
*HK2107080789 Beijing GONGREN RIBAO in Chinese*  
10 Jul 89 p 4

[Article by Ge Ping (2047 1627): "Talking About Rambo's Lack of Freedom"]

[Text] In the American film, "First Blood", there is a character called Rambo. Because he performed meritorious deeds of massacring in the war of aggression against Vietnam, he was presented with medals and the title of "Combat Hero" by the U.S. authorities. This obviously stands facts on their heads and should have been analyzed and criticized. However, what is satirical is that the film describes the "hero" who, having "performed meritorious deeds" for his motherland, went to a small town in his own country to call on his companion. He was inexplicably tailed by the sheriff who unreasonably ordered him to leave the place, and that when Rambo refused to do so, was savagely beaten up and humiliated.

I am not going to make an all-around review of "First Blood" here. But the fact that such a "great hero" as Rambo was deprived of his freedom of action in his own country, kept under close watch, and subjected to all kinds of restrictions can really show the truth about capitalist democracy and freedom. It does not mean that you can do whatever you like, as some people have said. The countless rules and regulations in the United States fetter and restrict the people's ideas and actions. For example, it is stipulated in the U.S. Constitution that citizens have the freedom of speech, publication, and gathering. This does not mean that people can freely take to the streets. If you want to hold a demonstration in the capital city Washington D.C., you must first submit an application to the police department. There are quite a few specific regulations on holding demonstrations on the sites of government organs or important areas, such as the surrounding areas of the White House, in front of the Capitol, the embassy areas, and the special District of Columbia. If the demonstrators turn a deaf ear to the advice of police and violate the regulations, the police

have the right to arrest them. We can thus see that in capitalist countries freedom has its limits and is subject to restrictions, and that it is absolutely impermissible to demonstrate when and where you like. Even to stage a sit-in for a long time in important central places is impermissible. To describe freedom and democracy in the United States as a very beautiful flower is entirely out of keeping with the reality. Even Rambo would give it a snort of contempt.

Fang Lizhi and his like are prominent figures in advocating bourgeois liberalization. In recent years, they have written articles and delivered speeches everywhere abusing China's socialist democracy and freedom as if they had no saving graces, and describing Western democracy and freedom as something extremely wonderful. Their sinister intentions are to poison people's minds, confuse the minds of some young students who are unaware of the truth, and to achieve the aim of opposing the Communist Party and the socialist system. If we are taken in by them and take to the streets and stage sit-ins and hunger strikes everywhere, it will certainly lead to great turmoil and cause serious consequences. In the end, it is the broad masses of the people and the young students who will come to grief. In fact, no absolute freedom exists at any time and in any country. Ours is a socialist country which genuinely practices people's democracy and which lets the people enjoy full freedom. However, this kind of democracy and freedom also has a precondition, namely, upholding the four cardinal principles. Democracy is linked to duty, and freedom and discipline are interdependent. If we talk only about democracy and freedom without talking about duty and discipline, this kind of democracy and freedom means anarchy, becomes absolute lawlessness, and is unworkable. Compared with Rambo's lack of freedom, our socialist democracy and freedom is incomparably better. Naturally, there are also defects and deficiencies in our democratic development, but this can only be solved gradually through the improvement of the legal system. If at every turn we practice absolute freedom, it will only eventually throw us into chaos, and we should never do this.

### Soviet Union

**Spokesman Comments on Tian Jiyun's Soviet Visit**  
*OW2107055489 Beijing in Russian to the USSR*  
1900 GMT 20 Jul 89

[Text] Li Jinhua, a spokesman for the PRC Ministry of Foreign Affairs, said at a press briefing on 20 July that China opposes the interference of any foreign government, organization, or individual into the internal affairs of China, and opposes any insults to the national feelings of the Chinese people.

Responding to the questions of a correspondent, Li Jinhua recalled that the Chinese side had already made a strict protest against the flagrant interference of some countries into China's internal affairs. She confirmed that the Chinese policy of reform and expansion of external ties remains immutable. China is prepared to

develop relations with various countries of the world on the basis of the Five Principles of Peaceful Coexistence, and to develop economic and trade contacts with them on the basis of equality and mutual advantage.

In her response to a correspondent's question about the visit to the USSR of Tian Jiyun, the vice premier of the PRC State Council, the PRC Foreign Ministry spokesman said: State relations between China and the Soviet Union have already been normalized. In recent years their trade and economic relations have been developed. I am confident that, in the future, trade and economic relations between China and the USSR based on equality and mutual advantage will be further developed.

#### **Tian Jiyun Arrives in Moscow for Trade Talks**

OW2107014989 Beijing XINHUA in English  
0056 GMT 21 Jul 89

[Text] Moscow, July 20 (XINHUA)—Chinese Vice Premier Tian Jiyun arrived here tonight to attend the fourth meeting of the Sino-Soviet economic and trade joint committee.

He was met at the airport by Soviet Vice Premier Yuriy Maslyukov.

Tian told reporters at the airport that the Chinese Government attaches great importance to the fourth meeting, which will not only review the outcome of Sino-Soviet cooperation, but also explore new areas of cooperation and development.

The Chinese vice premier said he believes that the meeting will be a success.

The Soviet Union has become China's fifth largest trade partner, and the last meeting of the Sino-Soviet economic and trade joint committee was held in June last year in Beijing.

Sino-Soviet trade relations have developed rapidly in recent years and amounted to approximately 114 million U.S. dollars in 1988. An increase of 17 percent over last year is expected for this year.

#### **NPC Vice Chairman Meets USSR Delegation**

OW2107113489 Beijing XINHUA in English  
1110 GMT 21 Jul 89

[Text] Beijing, July 21 (XINHUA)—Seypidin Aze, vice-chairman of the Chinese National People's Congress Standing Committee, met a delegation from the Soviet Ministry of Culture here today.

The delegation, led by Deputy Minister of Culture U.M. Helichefski [name as received], is here to discuss the expansion of cultural and artistic exchanges with the Chinese side according to the Sino-Soviet cultural cooperation program for 1988-1990.

Helichefski held working talks with Chinese Vice-Minister of Culture Wang Jifu after the delegation arrived here July 13. The guests also visited Xiamen and Xian and are scheduled to go home later today.

### **Northeast Asia**

#### **PRC, Mongolia Border Trade Starts 20 Jul**

OW2007143389 Beijing XINHUA in English  
1405 GMT 20 Jul 89

[Text] Urumqi, July 20 (XINHUA)—The border trade between Mongolia and the Xinjiang Uygur Autonomous Region of China started today. The first batch of goods was exchanged at the region's Takeshihken at the Sino-Mongolian border.

They include Mongolia-supplied chemical fertilizer, scrap iron and steel, and sheep skins and China-made daily-use articles such as thermos bottles.

An agreement on the opening of the Takeshihken Port in Qinghe County of Xinjiang was signed in November last year at ulanbaator, capital of the People's Republic of Mongolia.

### **Southeast Asia & Pacific**

#### **PRC Supports ASEAN on Cambodia Issue**

OW2007150889 Tokyo KYODO in English  
1437 GMT 20 Jul 89

[Text] Bangkok, July 20 KYODO—Thai Foreign Minister Sitthi Sawetsila said Thursday that China supports the call of the Association of Southeast Asian Nations (ASEAN) for a comprehensive solution to the Kampuchean problem, as expressed in a joint ASEAN statement issued in Brunei last month.

Sitthi said, after a 90-minute meeting with visiting Chinese Deputy Foreign Minister Liu Shuqing, that they agreed that the upcoming international conference on Kampuchea in Paris should work toward such a solution and pay attention to the internal aspects of national reconciliation among the various Kampuchean factions.

China suggested that a working commission to deal directly with these aspects be set up together with the three working commissions already suggested by France, Sitthi said.

France suggested in a revised draft of a memorandum of understanding issued this week that three commissions deal with the withdrawal of Vietnamese troops and the cessation of all foreign aid to Kampuchean factions, with the details of international control mechanisms, and with international guarantees for an independent, neutral, sovereign and non-aligned Kampuchea as well as the repatriation of Kampuchean refugees, according to a Thai Foreign Ministry source.

The source said there was no mention of national reconciliation in the memorandum, though it is a key aspect of the ASEAN-proposed package.

Liu will meet Thai Premier Chatchai Chulhawan and Army Commander-in-Chief Gen. Chaowalit Yongchaiyut on Friday, Sitthi said.

### Near East & South Asia

#### Hao Jianxiu Leaves for Morocco

OW2107102389 Beijing XINHUA in English  
0819 GMT 21 Jul 89

[Text] Beijing, July 21 (XINHUA)—A Chinese delegation led by Hao Jianxiu, vice-minister of the State Planning Commission, left here today for Morocco to attend the 21st Conference of International Administration Sciences at the invitation of the Moroccan Government and the International Institute of Administration sciences.

The conference is to be held between July 24 and 28 in Marrakech of Morocco.

After the conference, Hao will meet officials of Moroccan Government departments.

#### China-Nepal Highway Reconstruction Plan Reached

OW2007191089 Beijing XINHUA in English  
1751 GMT 20 Jul 89

[Text] Kathmandu, July 20 (XINHUA)—A plan for reconstruction of the 114 kilometer (km) Arniko (China-Nepal Friendship) Highway is being implemented with the help of China and other international agencies.

This was revealed by chief spokesman of the Nepalese Government R.S. Bista at a press briefing today.

The work, which will make the important outlet of the land-locked Himalayan kingdom operational year round, is to cost about 26.6 million rupees (960,000 U.S. dollars).

Bista said that an agreement to this effect is to be signed between the Nepalese and Chinese Governments in Kathmandu in the near future.

China will help convert the Bhabise-Kodari section into an all-weather highway. A technical team recently completed the field study in this regard.

The World Bank and the Swiss Development Corporation will rebuild the portion from 62 km to 87 km while the Asian Development Bank will assist in the surface maintenance work from Kathmandu to Dolalghat. The Swiss corporation is conducting a detail survey.

Built in 1967, the Arniko Highway, which links Kathmandu and the Tibet Autonomous Region of China, was damaged in many places by floods and a big earthquake

To keep it operational in the current monsoon season, Nepal has carried out urgent repair. So far, work in most places has been finished.

### Sub-Saharan Africa

#### CPC Representative Leaves for Mozambique

OW1907181689 Beijing XINHUA in English  
1412 GMT 19 Jul 89

[Text] Beijing, July 19 (XINHUA)—Li Chengren, representative of the Chinese Communist Party and deputy head of the International Liaison Department of the party's Central Committee, left here tonight for Mozambique to attend the fifth national congress of the Mozambique Liberation Front Party (Frelimo Party).

#### Trade Minister Meets Ghana Delegation

OW2107145089 Beijing XINHUA in English  
1123 GMT 21 Jul 89

[Text] Beijing, July 21 (XINHUA)—Zheng Tuobin, Chinese minister of foreign economic relations and trade, met and hosted a dinner in honor of an economic and trade delegation from Ghana here this evening.

The delegation, led by Dr. E.G.A. Don-Arthur, chairman of the State Commission for Economy and Cooperation, arrived here earlier today to attend the first session of the Sino-Ghanaian economic and trade joint committee, which is scheduled to open here tomorrow.

### East Europe

#### GDR To Extend Trade Agreement for 5 Years

HK2007104789 Beijing CEI Database in English  
20 Jul 89

[Text] Beijing (CEI)—China and the Democratic Germany will extend their 1986-1990 trade agreement signed in 1985 to 1995, CEI learned from a news briefing given by the GDR delegation to the first Beijing International Fair opened on July 14.

The GDR was a major machine supplier for China. Its exports to China include machine tools, chemical industry equipment, road-builders, electric and electronic technology, and building machinery.

China exports agricultural, mineral and textile products to the Democratic Germany.

In the first half of this year, the trade volume of the two countries was 250 million U.S. dollars. The 1988 figure was 700 million dollars.

China and the GDR established trade relations in 1949.



## Political & Social

**Jiang Zemin, Li Peng Focus on Propaganda Work**  
OW2107034589 Beijing XINHUA Domestic Service  
in Chinese 1722 GMT 20 Jul 89

[By RENMIN RIBAO reporter Li Jiguo (2621 3444 0948) and XINHUA reporter Sun Benyao (1327 2609 1301)—"Local Broadcast News Service"]

[Text] Beijing, 20 Jul (XINHUA)— Addressing the national conference attended by heads of propaganda departments today, Jiang Zemin, general secretary of the CPC Central Committee, and Li Peng and Li Ruihuan, members of the CPC Central Committee Political Bureau Standing Committee, pointed out: The whole party must attach great importance to and intensify the work on the propaganda and ideological front after the upheaval that has been stopped and the counterrevolutionary rebellion that has been suppressed. The assignments of current ideological and political work are to study and propagate the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's important speeches, unify the thinking of all party members and people of the whole country, and intensify propaganda work by deepening education on upholding the four cardinal principles and opposing bourgeois liberalization.

Jiang Zemin pointed out: One lesson we have learned from the student unrest, upheaval, and counterrevolutionary rebellion is that the whole party must attach great importance to ideological work. While the performance of the propaganda front is generally satisfactory, it also revealed one problem—the widespread existence of bourgeois liberalization. Nearly each year since 1980, Comrade Deng Xiaoping has stressed the need to oppose bourgeois liberalization. However, his instructions were not satisfactorily implemented, and bourgeois liberalization even continued to develop. Comrade Zhao Ziyang should be primarily held responsible for this. We must let socialist ideology take over the bastion and carry out the struggle against bourgeois liberalization through to the end.

Jiang Zemin pointed out: We must help the people of the whole nation realize the economic situation. While we must increase their confidence, we must help them realize the problems and the need to work hard. We must pay attention to propagating the fine traditions of the Chinese people, such as national integrity, diligence, and thrift. We should direct such propaganda toward different people so that it is more relevant.

Jiang Zemin said: Many young people today do not understand why it is absolutely necessary for China to follow the socialist course and the leadership of the Chinese Communist Party. We should give them an understandable and persuasive answer to this question by integrating theory with practice. Moreover, we should enlighten the students on the proper attitude toward

democracy, freedom, and human rights. We should guide people to observe, analyze, and handle issues from the Marxist-Leninist stand and viewpoints and with Marxist-Leninist methods.

Jiang Zemin stressed that party committees at all levels must intensify their ideological and political work. He said: Party committees of enterprises must take over the responsibility of conducting ideological and political work. They should set up the necessary organs staffed by small but capable full-time ideological and political personnel to take charge of the work.

Li Peng said: The struggle against the upheaval and the counterrevolutionary rebellion has helped the entire CPC have a better understanding of the importance of the work on the propaganda and ideological front. One major cause of the upheaval and rebellion was the protracted proliferation of bourgeois liberalization ideas. We should also keep in mind the lesson we have learned from the misguidance of the media during the struggle. From now on, the CPC Central Committee and the state must attach great importance to and intensify journalistic and propaganda work; party committees and governments at all levels must also support the work on the propaganda and ideological front. Government departments must always keep themselves informed of the situation, set requirements for propaganda work, and give it the necessary manpower and material support. Our government work in various fields will be an even bigger success with hard work and coordination from comrades on the propaganda front.

Li Peng said: Although we have achieved a decisive victory in suppressing the counterrevolutionary rebellion, we are still confronted with formidable tasks and have to do a great deal of penetrating and meticulous ideological and educational work to deal with the many ideological problems among the masses. One long-range assignment for workers on the propaganda and ideological front is to educate the masses on the need to uphold the four cardinal principles and unequivocally oppose bourgeois liberalization.

Li Peng said: The performance of the overwhelming majority of intellectuals was good during the struggle, showing that they are the people our party can trust. The extremely small number of scum among them cannot represent the Chinese intellectuals who are patriotic and support the party and socialism. The party will not change its intellectual policy because of the recent counterrevolutionary rebellion.

Li Peng also underscored the need to intensify international propaganda.

In his speech, Li Ruihuan pointed out the need to seize the current opportunity and intensify propaganda work. He said: In the past few years, Comrade Zhao Ziyang actually approached our party with a bourgeois liberal attitude. Consequently, the work of the party as a whole



was seriously weakened, the party's propaganda work was beset with crisis, many local propaganda contingents were disbanded, bastions were abandoned, and ideological confusion set in. Under the extremely difficult situation, however, the vast number of propaganda cadres continued to proceed with their work cautiously under the guidance of the party's correct principles. During the course of thwarting the upheaval and suppressing the rebellion, in particular, they took a firm and clear-cut stand and fought day and night on the forefront to safeguard the interests of the party and the people.

Li Ruihuan said: With the upheaval stopped and the counterrevolutionary rebellion suppressed, the propaganda and ideological front is now confronted with a complex situation, as well as formidable tasks. While doing something substantial in the political and economic spheres that will please and satisfy the people, we should conduct a great deal of penetrating and meticulous ideological and educational work and use the guidelines of the fourth plenary session to help people clarify facts, distinguish right from wrong, understand theory, think rationally, achieve a consensus of views amid the bewilderment and puzzlement, pluck up their spirit, and rally their strength. The urgent assignment for workers on the propaganda and ideological front is to rectify and thoroughly overhaul the ideological and theoretical issues that have been confounded by the idea of bourgeois liberalization all these years, and to provide the proper medium and scientifically sound theoretical support for reform, opening up, economic retrenchment, economic construction, party development, spiritual construction, and construction of a democratic and legal system.

Li Ruihuan pointed out: The time ahead provides a very good opportunity for us to intensify propaganda work. All leaders and cadres on the propaganda and ideological front must have a clear idea of the situation, heighten their spirit, seize the opportunity, and strive to make the party's propaganda work a success.

Li Ruihuan said: We have to do something tangible in intensifying ideological and political work.

He said: Comrade Deng Xiaoping pointed out in 1983: "The work on the entire ideological front must be intensified. We should earnestly place this issue before the party and on the agenda of important affairs of the Central Committee and all local party committees." The current ideological and political assignment is to take effective measures to unify the thinking of all party members and the people in the country by publicizing and promoting the study of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Xiaoping's important speeches. We should thoroughly educate the people on the need to uphold the four cardinal principles and the two basic points—reform and opening to the outside world. Because the four cardinal principles were not consistently adhered to and bourgeois liberalization was not repudiated firmly and thoroughly over a relatively long period of time, it is

particularly necessary for us to take a clear-cut stand to oppose bourgeois liberalization and amplify the positive cry for upholding the four cardinal principles.

He pointed out: While ideological and political work should be improved, the first and foremost issue is whether or not it is needed. Under the excuse of achieving "compatibility," Zhao Ziyang proposed to "remold" ideological and political work. In fact, he begated this fine tradition of the party and terminated the need for ideological and political work. In order to promptly reverse the impotence of the party's ideological and political work, we must now intensify the work in this area by doing actual, tangible work. First of all, we must organize personnel to write a great deal of articles, books, and teaching material to discuss the need to uphold the four cardinal principles and oppose bourgeois liberalization. Second, we should create the necessary conditions at grass-roots units for intensifying ideological and political work there. The vast number of grass-roots units, and especially the large and medium-size state enterprises, are society's foundation, where we should intensify our ideological and political work. Party organizations of enterprises must clearly understand their role in conducting ideological and political work. They must regard ideological and political work as their central task and their first and foremost responsibility. Party committee secretaries must consider it their primary responsibility to take charge of ideological and political work. This will also enable enterprise party organizations to bring their guaranteeing and supervisory roles into play under the system in which the director takes charge. We should stabilize and reinforce the grass-roots contingents of political work cadres. Enterprises may appoint full-time political work cadres at a rate of one political work cadre for every 100 workers and staff members. Like other professional cadres, political work cadres should also have their proficiency evaluated and be given professional job titles accordingly. The Central Committee concurs with this idea, and the relevant departments should step up drawing up the evaluation plans. Third, we should thoroughly wipe out reactionary and pornographic publications and audio and videotapes. Our society is currently inundated with reactionary books and magazines which advertise bourgeois liberalization, as well as vulgar books and audio and videotapes of low taste which disseminate pornographic and obscene material, violence, homicide, and feudalistic and superstitious ideas. Despite repeated orders to ban them, they continue to appear in society, causing serious spiritual pollution that poisons people's minds and corrodes the younger generation. We should thoroughly screen and consolidate the book and audio and videotape market. Once these "spiritual opiates" are found, they must be firmly confiscated and destroyed, while those responsible and in charge of their publication and distribution must be investigated, heavily fined, punished by means of party or administrative disciplinary measures, and even have their criminal responsibility investigated. We should take drastic measures to deal with this situation and carry out a thorough screening and consolidation of all excessive newspapers, journals, and publishing houses.

Li Ruihuan said: The journalistic front must strictly enforce the party's propaganda discipline. The "several guiding principles governing inner-party political life" clearly provide that "party journals must unconditionally propagate the lines, principles, policies, and political viewpoints of the party," and that party members "must never be allowed to make public speeches in newspapers, journals, and radio broadcasts contrary to the decisions of the CPC Central Committee, nor can they disseminate among the masses views contrary to the lines, principles, policies, and resolutions of the party. This is party discipline." People of journalistic circles must wage a thorough struggle against bourgeois liberalization. They must especially expose the hypocritical and reactionary nature of bourgeois freedom of the press, properly handle the issue of achieving unity between party spirit and people's nature (ren min xing 0086 3046 1840) in journalism, and set a correct political orientation for journalism and propaganda once and for all. We must make efforts to study how journalistic work can be handled according to journalistic law while adhering to the four cardinal principles and opposing bourgeois liberalization so that there is unity between journalistic propaganda and the party's principles and policies as well as what the people want to read.

Li Ruihuan stressed: We must properly organize the study of Marxist theory. The proponents of bourgeois liberalization have concentrated their theoretical offensive against Marxism, saying that Marxism is "outmoded," and have downgraded Marxism as being merely one of the 100 contending schools of thought. Their purpose is to discredit the guiding role of Marxism and shake our theoretical foundation. One major political mission now confronting the whole party is to intensify the study, propaganda, and research of Marxist theory, eliminate foggy theoretical ideas, and unify and heighten the people's understanding.

He said: Marxism is a science for development. Speaking of development, we should apply Marxism—a powerful ideological tool for us to know and with which to transform the world—and constantly integrate it with the changing realities in exploring and solving new problems. In a certain sense, integration is a process of application and development. The very process of summing up, generalizing, and refining the results of integration and turning them into a rational knowledge is a process of developing Marxism. It is absolutely impermissible to depart from Marxism in the name of "development." Some people who haven't read even a few books of Marx and Lenin and do not have even a rudimentary knowledge of Marxism are attempting to use some Western bourgeois theories to negate Marxism. They can only show their arrogance and ignorance.

Li Ruihuan pointed out: At present, the stress of our study of Marxist theory is put on studying philosophy. Comrade Chen Yun has said: To study philosophy will benefit one all his life. Marxist philosophy is so far the most scientific and most complete world outlook and

methodology, and is a "great tool of knowledge" of mankind. Comrade Chen Yun has also emphasized that leading cadres at all levels should seriously study Marxist theory on the mass viewpoint and the mass line.

Li Ruihuan said: We should, in consideration of the needs of cadres and the masses of various educational levels, prepare a list of books of Marxism-Leninism-Mao Zedong Thought cadres and the masses are required to read. We should institute and improve the cadre study system, set the study time, and conduct rotational training so that cadres at all levels, particularly cadres at the high and intermediate levels, will have an opportunity to study Marxism-Leninism-Mao Zedong Thought systematically. We should regard the possession of knowledge of Marxist theory as a sign of revolutionization for cadres and as a criterion of evaluation to be considered in cadres' promotion and appointment. We should promote research on Marxist theory, immediately select a number of subjects for both central and local research organizations to work on, and strive to achieve a number of research results of comparatively high academic level in 1 or 2 years. I hope that leading comrades at all levels, particularly comrades on the ideological and theoretical front, will plunge themselves into the study of Marxist theory with full enthusiasm and great willpower. Then, our propaganda work and work in other fields will greatly improve and be full of promise.

Li Ruihuan said: It is necessary to improve ideological and organizational construction of the propaganda contingent. In order to meet the situation and the needs of our tasks, we must build a grand Marxist propaganda contingent consisting of cadres of various levels conducting theoretical, press, literary and art, publishing, and political work. Our party has already had such a contingent for several decades. Generally speaking, our propaganda contingent is good. In the last several years, a great deal of progress and success has been made on our propaganda and ideological front in the course of reform and opening to the outside world. The progress and success should be affirmed. However, we must also see the existing problems. Our propaganda contingent is far from meeting the situation and the needs of our tasks, both quantitatively and qualitatively. In the last several years, bourgeois liberalism became seriously rampant and created a very bad influence in the field of theory, journalism, literature and art, and publication. During the recent turmoil, some people wavered politically, while a small number of people who for a long time stubbornly stuck to bourgeois liberalization became schemers and organizers of turmoil and riots. At present, we should first make efforts to rectify the propaganda contingent.

He said: Comrade Mao Zedong pointed out that one of our basic principles is to mobilize all positive factors, turn negative factors into positive factors, and build a socialist country together. We must strictly implement the party's policies, strictly distinguish between two types of contradictions of different nature, and seriously solve the problem of how to unite with the majority of

people. We should unite, under the banner of socialism and patriotism, as many cadres and intellectuals on the propaganda and ideological front as possible, and work hard to build socialism with Chinese characteristics.

Present at the meeting were Ding Guangen, alternate member of the Political Bureau and member of the Secretariat of the CPC Central Committee, and responsible persons of the departments concerned.

**Book Published on Life, Career of Deng Xiaoping**  
OW2107113689 Beijing XINHUA in English  
0953 GMT 21 Jul 89

[Text] Shanghai, July 21 (XINHUA)—A book depicting the life and career of China's senior leader Deng Xiaoping during the 1939-1965 period was recently published in Shanghai by the Shanghai Literature and Art Publishing House.

The book, entitled "During the 28 Years", was written by a number of revolutionaries who used to be Deng's subordinates.

The publishing house also turned out a book recording the life of Marshal Luo Ronghuan, who died in 1963.

The book describes Luo's struggle against the right-deviationist thinking of Lin Biao during the Liaoning-Shenyang battle in the 1940s. It was written by Bai Ren, a noted writer who had worked with Luo since 1939.

**CPC Reportedly Plans To Turn to Third World**  
HK2107025389 Hong Kong MING PAO in Chinese  
21 Jul 89 p 1

["Special" dispatch: "China To Change Its Foreign Policy and Return to the Third World"]

[Text] Since the bloody incident on 4 June, leftism has again prevailed inside the CPC. The CPC top leadership is planning some major changes in its foreign policy. Beginning next year, the CPC will restore its foreign policy of the 1970's and stress relations with the Third World countries.

It has been learned that the CPC top leadership revealed the plan to adjust its foreign policy at a recent meeting of diplomats. Although the new foreign policy has not been finally formulated, leftism has gained the upper hand in the party's guideline. As the Western countries have imposed sanctions on China and as China still does not trust the Soviet Union, the adjustment of the foreign policy won support at the meeting of diplomats. Many ambassadors to Third World countries aired complaints in their speeches, saying that since China began to pursue the policy of reform and opening up, many old friends in the Third World have been abandoned.

Reportedly, State Council Premier Li Peng is an active initiator and supporter of the new foreign policy. After Li Peng met with the Pakistani ambassador on 8 June, a responsible official of the Foreign Ministry reported the sanctions imposed by the United States and other Western countries on China to Li Peng, and Li Peng indicated that China must carry out tit-for-tat struggle and must not make any concessions. The Foreign Ministry official then asked Li Peng how to develop relations with the Soviet Union and whether to maintain the standards established during Gorbachev's visit to China. Li Peng instructed him that relations with the Soviet Union should not be cooled down and should not be warmed up, because Gorbachev also criticized China. Sino-Soviet relations can only be developed in a low tone. At present, the CPC top leadership has instructed the department concerned to study and prepare for the major adjustment of the foreign policy beginning next year.

According to statistics compiled by the relevant department on the mainland, the economic sanctions imposed by the Western countries on China have caused nearly \$3 billion in direct economic losses to China. A document issued by the State Planning Commission in January forecast that China's internal debt will encounter a repayment peak in 1990 and the state will need to repay 38 billion yuan of internal debt. In 1993, China's foreign debt will encounter a repayment peak and will have to repay \$30 billion to \$40 billion of foreign debt. However, according to the analysis of some mainland economic experts, the direct and indirect economic losses caused by the bloody incident on 4 June will make the debt repayment peaks appear earlier. In the second half of this year, China will face serious economic crises in various aspects.

**Hong Kong Residents Warned Against Subversion**  
HK2107063589 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 21 Jul 89 p 2

[Article by Ai Zhong (5337 0022): "The 'One Country, Two Systems' Must Not Be Undermined"]

[Text] On 22 June, Ji Pengfei, director of the State Council's Hong Kong and Macao Affairs Office, made a speech on behalf of the Chinese Government, pointing out that we will not allow some people to use Hong Kong and Macao as a base for subverting the central people's government. He did not say this without evidence. After turmoil occurred in Beijing, in Hong Kong, there were indeed several people who craved nothing short of nationwide chaos. They and some ringleaders who instigated the counterrevolutionary rebellion in Beijing echoed each other at a distance in an attempt to stir up an anticommunist and anti-China upsurge in Hong Kong. If you do not believe this, please consider the following facts:



In Hong Kong, a member of the Legislative Council of the British Hong Kong Government used to advocate "resisting and rejecting communism through democracy." After turmoil occurred in Beijing, he immediately came out to openly call on the people of Hong Kong to rise and overthrow the central government. Not long ago, he also went to the United States and testified at a hearing of the Human Rights Committee of the U.S. Congress. There, he asked the United States to impose more severe economic sanctions on the Chinese Government in the hope that "this will help overthrow the reign of terror in Beijing."

This Legislative Council member also repeatedly called for rewriting the Sino-British Joint Declaration and advocated that after 1997, Hong Kong should continue to hold the power to handle foreign and defense affairs. Isn't it true that he advocated Hong Kong's independence from the central government?

This man and another member of the Legislative Council of the British Hong Kong Government are both members of the PRC Hong Kong Special Administrative Region Basic Law Drafting Committee, but they declared that they would not recognize the "illegal government" in Beijing and that they would not participate in the Basic Law drafting work before this government collapses.

These two men are respectively chairman and vice chairman of the Hong Kong Federation for Supporting the Patriotic and Democratic Movement. This organization openly declared that its long-term objective is to strive for the realization of democracy, freedom, human rights, and rule by law in China, and its immediate objective is to overthrow the current "fascist regime" in Beijing. Its declaration even called on the People's Liberation Army to turn around their guns to overthrow the government.

In the marches and rallies organized by this federation shouted such reactionary slogans as "Down with the Communist Party," "Down with Deng, Li, Yang," "Down with the decadent, atrocious regime," and "Fight against the Li Peng regime throughout to the end." At a "black condemnation rally" organized by this federation, its representatives declared that it is determined to "break with the Beijing regime and declare war on it!"

In order to turn their program into concrete actions, in the period of turmoil the federation sent some people to take huge amounts of money and large quantities of materials to Beijing to support the illegal organizations. Some members of the federation even joined the illegal organizations and participated in plotting the counter-revolutionary rebellion.

More seriously, some members of the federation even called for turning Hong Kong into a front position for supporting the subversive activities and delivering weapons and ammunition to the counterrevolutionary rebels on the mainland!

Some people in Hong Kong created an "underground passage," which was specially used to help some wanted counterrevolutionary criminals flee the country and escape to other countries. When Wuer Kaixi stayed in Hong Kong with the help of some members of the federation, he issued an extremely vicious written speech through the local television station, calling on people throughout the entire world to join hands in thoroughly overthrowing the PRC government.

After Wuer Kaixi fled to France, he joined another wanted criminal, Yan Jiaqi, who also fled the country through Hong Kong, in issuing a joint declaration and announcing the establishment of a Foundation for the Student Movement and the Democratic Movement in China. They openly declared that the objective of this foundation is to overthrow the central government and "reestablish the republic." Shortly after that, the Hong Kong federation passed a resolution on sending HK\$1 million to support the subversive activities of the foundation. In addition, the Hong Kong federation also decided to appropriate HK\$200,000 to pay the traveling expenses of more than 20 wanted counterrevolutionary criminals who fled to overseas areas.

Aren't the above-mentioned facts sufficient to show that some people were indeed carrying out various activities for subverting the central people's government in this territory still governed by the British Hong Kong authorities? We must ask these people: Where are you trying to lead Hong Kong?

Not allowing any people to use Hong Kong as a base for subverting the central people's government is a consistent policy of the Chinese Government. This was not only valid in the past, but will continue to be valid at present and after 1997. Hong Kong has been part of China's territory since ancient times. After the mainland was liberated, the Chinese Government adopted a special policy toward Hong Kong for a long time and allowed its capitalist system to continue to exist, but this must be subject to the premise of "not carrying out any subversive activities." After 1997, Hong Kong will return to the motherland under the principle of "one country, two systems." The primary precondition for "one country, two systems" is that people must first recognize "one country." That is, Hong Kong is a special administrative region under the leadership of the central people's government, and the sovereignty over Hong Kong belongs to the People's Republic of China. With the authorization of the central government, Hong Kong can enjoy a high degree of self-government. So the Hong Kong Special Administrative Region must accept the leadership of the central people's government.

"Two systems" means that while the mainland practices the socialist system, Hong Kong can continue to practice the capitalist system—as the popular sayings go, "I will take the open road and you will cross the log bridge," and "Well water does not intrude into river water." The

central government will never change the capitalist system in Hong Kong, and Hong Kong will never be allowed to interfere in the socialist system on the mainland. Not allowing some people to use Hong Kong as a base for subverting the central people's government forms an important component part of "one country, two systems." The Joint Declaration on the Question of Hong Kong signed by the Chinese and British Governments in 1984 and the Basic Law for the Hong Kong Special Administrative Region of the PRC which is now being drafted are all built on this foundation. If this foundation is undermined, the principle of "one country, two systems" will also be undermined, and the Joint Declaration and the Basic Law will be violated.

Of course, Hong Kong compatriots, as Chinese citizens, should also show concern for state affairs. Article 21 of the Basic Law (draft) stipulates: "Chinese citizens who are residents of the Hong Kong Special Administrative Region shall be entitled to participate in state affairs in accordance with law." Here, "in accordance with law" certainly refers to the PRC Constitution and other laws on the mainland. People who want to participate in the management of state affairs must act within the limits allowed by the Constitution and the other laws on the mainland. This is completely reasonable and justifiable. This principle applies to all people throughout the country, and those in Hong Kong are no exception. That is to say, Hong Kong compatriots can oppose the adoption of the socialist system in Hong Kong according to the Basic Law, but must abide by the Constitution and cannot oppose the socialist system pursued on the mainland, still less can they be allowed to carry out activities of subverting the central people's government. For this, Article 23 of the Basic Law stipulates: "The Hong Kong Special Administrative Region shall enact laws on its own to prohibit any act of treason, secession, sedition, or theft of state secrets."

Pursuing a democratic political system in Hong Kong must also comply with the principle of "one country, two systems." Under the colonial rule of Britain, Hong Kong had no democracy at all in the past 100 years and more. After 1997, when Hong Kong becomes a special administrative region of China, democracy should be developed gradually. This is also a constant position of the Chinese Government. However, what is noticeable is the fact that some people in Hong Kong now talk about "democracy" every day, but the drinker's heart is not in the cup. In the series of recent events in Hong Kong, they have put on full performances and have exposed their real purpose. Now, people can see more clearly that the two Legislative Council members mentioned above were in fact trying to use "democracy" as a disguise to achieve the purpose of "resisting and rejecting the Communist Party" and overthrowing the central people's government. They attempted to use "the people's wishes" as a weapon to fight against the central government (in their own words, to "fight a decisive battle" with the central government). They tried to scare other people by saying that "China's today is Hong Kong's tomorrow." In fact,

they just tried to impose Hong Kong's today on China's tomorrow and attempted to use capitalism to unify China. The "democracy" they advocated did not proceed from Hong Kong's reality and was not in the interests of Hong Kong's stability and prosperity and the well-being of the 6 million residents of Hong Kong. They just used "democracy" as a means of demagoguery for deceiving and fooling some people who were not aware of true facts.

According to newspaper reports, these people recently were planning to organize "political parties." Once these people hold power and control the government, the principle of "one country, two systems" will certainly be ruined, and there will be no peace in Hong Kong; furthermore, there will not be any stability and prosperity. As a saying goes, "Without the skin, how can hairs exist?" Only under the giant tree of the socialist PRC can a flourishing capitalist Hong Kong grow; only by truly maintaining the principle of "one country, two systems" can Hong Kong's existence be of value; and only when Hong Kong's existence continues to be of value can it have a bright future. All compatriots in Hong Kong, you must keep vigilance, and should never allow the conspiracy of undermining the principle of "one country, two systems" to come true!

It is fortunate that some people of insight in Hong Kong have recently come out to oppose the idea of turning Hong Kong into a base for subverting the Chinese Government. They are sincere in maintaining Hong Kong's stability and prosperity and giving consideration to the very interests of the 6 million residents of Hong Kong. Their voice has been supported and echoed by more and more people in Hong Kong. Meanwhile, more and more people have also come to realize the importance of maintaining the principle of "one country, two systems." This represents a correct orientation for maintaining the Hong Kong people's confidence, and will certainly be supported by the people in the whole country.

#### **Fang Lizhi Dismissed From Society Posts**

*OW2107062689 Beijing XINHUA in English  
0547 GMT 21 Jul 89*

[Text] Beijing, July 21 (XINHUA)—Fang Lizhi, who is wanted by police, was removed from all his posts in the China Natural Dialectics Research Society, the "PEOPLE'S DAILY" reported today.

Fang had served as council member, executive council member, vice chairman and executive vice chairman of the society.

The society made the decision at a meeting on July 27 on a proposal by some members of the China Association for Science and Technology.

The decision was based on a circular issued June 10 by the Beijing Municipal Public Security Bureau wanting Fang for crimes of counter-revolutionary propaganda and instigation, the paper reported.

**News Personnel Removed; Censorship Continues**

HK2107031189 Hong Kong MING PAO in Chinese  
21 Jul 89 p 1

[Special dispatch: "CPC Arrests, Imprisons, and Executes People of the Press Circle"]

[Text] News from Beijing: The CPC has begun rectifying the Chinese press circle. So far, all former responsible persons of "KEJI RIBAO," "ZHONGGUO FAZHI BAO," and "GUANGMING RIBAO" have been removed from office. The Chinese authorities have also arrested or detained a number of journalists.

It was disclosed that Chinese Vice President Wang Zhen, a CPC veteran, has had a deep-seated hatred for the Beijing press circle. At the 4th Plenary Session of the 13th CPC Central Committee, Wang Zhen suggested that a number of people in the Beijing press circle be arrested, imprisoned, and even executed and some be banished to Qinghai Province, have their Beijing residence registrations canceled, and be banned from returning to Beijing forever.

It was learned that because the CPC policymakers believed that the Chinese press circle had played a very bad role of supporting the recent prodemocracy movement in China, the responsible persons of a large number of press units have recently been removed from office.

According to a reliable source: A work group recently entered the headquarters of "KEJI RIBAO," which exerted great influence over the recent prodemocracy movement in China. Lin Zixin, director and editor-in-chief of "KEJI RIBAO," and Sun Changjiang and Lin Yeju, deputy editor-in-chiefs of "KEJI RIBAO," have recently been notified of their official removal from office. The reason given for the removal was that Lin Zixin and Lin Yeju had reached 60 years of age, which is the official retirement age in China. Nevertheless, Sun Changjiang is allowed to return to Beijing Teachers' College to continue his teaching there. Many of the reporters and editors of "KEJI RIBAO" will soon suffer the same fate.

It has been learned that the announcer who told the whole world the number of deaths at Tiananmen Square in Radio Beijing's English program on the early morning of 4 June has not yet been arrested. However, three department or section chiefs allegedly involved in the incident have been removed from office. One of the three cadres is a son of Chinese Foreign Minister Wu Xueqian. In order to deal with the incident, Li Ruihuan, a member of the CPC Central Committee Standing Committee, who is currently in charge of CPC propaganda work, had a talk with Wu Xueqian, telling him

that the incident had to be dealt with in such a way and that the authorities would not carry out further investigations and affix responsibility for the incident. Li Ruihuan also asked Wu Xueqian to strengthen the education of his children.

Besides, Du Xian (female) and Xue Fei, the two announcers for CCTV's evening news program immediately after the 4 June Tiananmen Square Incident, have been transferred to other posts. It was learned that when acting as announcers for the CCTV's evening news program immediately after the 4 June Tiananmen Square incident, Du Xian and Xue Fei wore black suits, had tears in their eyes, and spoke in a sad tone. Yang Shangkun was extremely angry after watching the CCTV evening news program. Now Du Xian has been transferred to CCTV's Economic Department to work as an editor while Xue Fei has been transferred to CCTV's Social Education Department to work as an editor. Yang Shangkun has issued an order: Du Xian and Xue Fei should not be allowed to direct television programs, act as announcers, or conduct television interviews in the future.

Now everyone in the Beijing press circle is living in constant terror and has to confess to the authorities what they did during the 4 June Tiananmen Square incident. The Liaison Group (Work Group) is presently making personnel arrangements in light of these people's behavior during the 4 June Tiananmen Square Incident. So far, a large number of Beijing newsmen have been transferred to other work posts.

In order to strengthen control over the ideological and cultural circles, the CPC hierarchy has recently issued a document banning the publication and sale of four types of books: The first type includes: "Biography of Zhao Ziyang" and "Biography of Hu Yaobang;" the second type includes: books written or edited by Yan Jiaqi, Zhang Xianyang, Hu Jiwei, and some other well-known Chinese scholars who had actively participated in the recent prodemocracy movement in China; the third type includes: books about the art of the human body; and the fourth type includes: books about sex.

**Beijing Workers Autonomous Federation Resurfaces**

HK2107022189 Hong Kong SOUTH CHINA  
MORNING POST in English 21 Jul 89 p 11

[By Geoffrey Crothall]

[Text] Leaders of the Beijing Workers' Autonomous Federation, thought to have been crushed when tanks rolled into Tiananmen Square, are confident they can rebuild China's independent labour movement, one of the federation's organisers at the Capital Iron and Steel Works says.



"Look what happened in Poland. In 1981, they imposed martial law, declared Solidarity illegal and arrested hundreds of union activists. But now, only eight years later, Solidarity has formed a coalition government with the Communist Party," he says.

The organiser denied that most of the federation's leaders had been killed while trying to protect the students in Tiananmen Square as had earlier been reported.

His claims are backed up by a Western eyewitness, who visited the federation's headquarters, on the northwest corner of the square, at 1.15 am on June 4. The headquarters had already been abandoned when the tents were set alight. About 20 metres away, 300 troops watched as the last occupant frantically collected documents and papers before the tents collapsed.

The head of the Autonomous Federation, Mr Han Dongfang, and most of the other leaders left the square sometime before the troops moved in, the eyewitness said.

Labour activists in Hong Kong said, with or without the old leaders, the Workers' Autonomous Federation would eventually reappear as a leading force in China's independent labour movement.

There has been a growing need for a truly independent trade union in China over the last five years and recent events have only served to emphasise that fact, they said.

The Workers' Autonomous Federation was formed in mid-May at the height of the student demonstrations in Beijing. Its manifesto, issued on May 25, said: "The fundamental principle of the organisation should be to address political and economic demands, based on the wishes of the majority of workers."

The federation says it never opposed the rule of the Communist Party but demanded the right to "monitor the legal representatives of all state and collective enterprises, guaranteeing that the workers become the real masters of the enterprise".

Up to June 3, the federation's leaders were still trying to find ways to legalise their organisation by liaising with sympathetic members of the state run All China Federation of Trade Unions (ACFTU) and the democratic political parties.

The federation faced considerable opposition from the official unions who were under pressure from the central Government to suppress labour unrest, but leaders pointed to the ACFTU's public declaration of support for the hunger striking students on May 19 as the true expression of the union's feelings.

The federation was also hampered by the resistance of student leaders towards workers' involvement in the democracy movement.

Many students felt the city-wide strikes called for by the federation would only cause more chaos and weaken their grip on the movement.

As a result the workers were not allowed to set up their headquarters near the students' tents. At one point, the two organisations were not even talking to each other.

**Intellectual Chen Yizi Reported To Have Fled**  
*HK2107020189 Hong Kong HONGKONG STANDARD (CHINA TODAY) in English 21 Jul 89 p 1*

[Text] A key member of a think tank run by ousted party boss Mr Zhao Ziyang has fled China through the same underground network which smuggled out other dissidents, according to reports yesterday.

Mr Chen Yizi, 45, was director of the Institute for the Restructuring Economy.

Unconfirmed reports also said a son of Mr Zhao, who was a target of corruption investigation, had also left the country.

Mr Zhao Erjun, who had previously served in Hainan, has not been seen in China for several months.

Reports of Mr Chen's disappearance were carried in Hong Kong and Taiwan newspapers yesterday.

They said he took the same escape route as student leader Wuer Kaixi and dissident, Professor Yan Jiaqi.

Mr Chen, a liberal intellectual and a long follower of Mr Zhao, had advocated plans to build a commodity economy in China.

After May 20 when Premier Li Peng declared martial law in Beijing, Mr Chen signed his name to a six-point statement condemning Mr Li's policy toward the student-led pro-democracy movement.

In Beijing Mayor Chen Xitong's report to the Standing Committee of the National People's Congress (NPC) two weeks ago, Mr Chen was named as one of those who had leaked top party and state secrets to the students to deliberately stir up the "counter-revolutionary rebellion".

It has been said that Mr Chen is among 20 intellectuals wanted by the Chinese government.

Meanwhile, Agence Presse France reported that Wang Dan, the most wanted student leader, had been arrested.

The agency, quoting a Communist Party source, said Mr Wang, 24, was captured by police in Beijing and was under tight guard.

"Wang Dan was arrested in the last few days," the source said.



"The government will announce his capture when it suits them."

A Foreign Ministry spokesman said yesterday the ministry did not have to answer questions on the arrest.

Other ministries and departments were not immediately available for comment.

Two other top student leaders, Mr Wuer and Miss Chai Ling, managed to escape overseas.

Mr Wang was found by police in an abandoned hotel in Beijing's university district of Haidian. A scuffle broke out when he tried to escape and he was beaten, though the extent of his injuries are unknown.

For the past few days the official press has labelled Mr Wang as the chief "strategist" of the student movement and has closely associated him in editorials with China's most celebrated dissident Fang Lizhi—officially branded the scum of Chinese intellectuals—and his wife Li Shuxian.

Observers said the official silence on Mr Wang's arrest was in line with a tacit directive from the Chinese leadership to tone down official reports on the current wave of repression, which had resulted in about 7,000 arrests, according to Chinese sources.

Legal sources in Beijing believe the charges against Mr Wang will be serious and include fomenting a counter-revolutionary rebellion, a capital offence under China's penal code.

In a related story, U.S. Senator Robert Dole said China's ambassador to the United States told him that "very few" Chinese students were arrested in the crackdown on pro-democracy demonstrations and only 10 people have been executed.

Mr Dole, the Senate leader of the Republican Party, said China's Ambassador Han Xu made the remarks to him on Wednesday, after being handed a protest letter signed by 42 Republican senators.

The letter predicted "tremendous" damage to U.S.-Chinese relations "should your government continue on the course of state-sponsored violence and intimidation on which you are embarked".

"In his view, very few students were arrested and most of those who are sought were criminals," Mr Dole said, reporting on his meeting with the ambassador.

China's official media, however, says 12 people have been executed and more than 2,000 people arrested.

Dole said the ambassador protested arrangements being made to enable Chinese students and scholars in the United States to extend their stay in order to avoid persecution in China.

"It was his view that most Chinese students would like to stay in the United States permanently," Mr Dole said. "He said they aren't in any danger at home and that they are needed at home."

The letter noted that Han Xu is concluding his service in the United States and returning to China.

**Wang Fang Stresses Preparation for Antisubversion**  
*OW2107130689 Beijing XINHUA in English*  
1228 GMT 21 Jul 89

[Text] Beijing, July 21 (XINHUA)—Chinese Public Security Minister Wang Fang said here today that public security departments across the country should be mentally prepared for the long-term and complicated struggles between subversion and anti-subversion.

Though China has achieved a decisive victory in quelling the counter-revolutionary rebellion, the struggle is far from over, said Wang, who is also a state councillor.

Various domestic forces hostile to government will not resign themselves to defeat, and they will look further for new opportunities to attack us, the minister warned here today.

The aim of the imperialists and various hostile forces abroad for overturning the socialist system in China will remain unchanged and they are sure to resort to subversive activities, the minister continued.

Therefore, he said, "there will be long-term and complicated struggles between subversion and anti-subversion and we should be mentally prepared for this."

Wang made the remarks at an awards ceremony for 13 local police stations or units under the public security departments, including the Tiananmen police station and three other stations based in Beijing, one in Tianjin and three in Shanghai.

They were given awards for having done outstanding jobs in putting down riots and quelling rebellion.

It is necessary and correct for the State Council and the Communist Party Central Committee to implement martial law in parts of Beijing, the state councillor said, "but it is just a makeshift arrangement adopted under an unusual situation. It is not at all a permanent solution to safeguarding the social order."

The minister called for timely cracking down on any conspiracy and stopping any unrest in its embryonic stage in the future.

**Vice Minister Speaks on Information Association**  
*OW2007205689 Beijing Domestic Service in Mandarin*  
*0700 GMT 12 Jul 89*

[Text] Addressing the first preparatory meeting for the founding of the China Information Association recently, Zhang Shou, vice minister in charge of the State Planning Commission, said: There is a lack of division of work, coordination, and mutual support in China's flourishing information industry. Substandard and overlapping work exist in the development of information.

He expressed the hope that the China Information Association, which will be established in the near future, will coordinate the reactions between the various central departments and information work in various localities so as to boost the development of information services throughout the country.

It is understood that the China Information Association, the preparations for the founding of which are under way, is a national social organization engaged in the study and publicizing of social information theories. Its general objective is to build an information network with Chinese characteristics and to promote the modernization of information management.

At the meeting attended by more than 40 information experts, Zhang Shou said: China's Information industry has developed rapidly since China began reform and opening to the outside world. China's state-owned information industry has fixed assets of over 500 million yuan, and an initial computer communication network has been built linking the central authorities with various localities. However, there exist many problems, such as chaotic channels for transmitting information, waste of resources, and no protection for information property rights. All of these have seriously impeded the development of China's information industry.

Zhang Shou urged the future China Information Association to organize all units under it, to better coordinate the work among various information networks, publicize information knowledge, make information rules and regulations, gradually solve the problems confronting China's information industry, and strive to boost its development.

The experts at the meeting expressed the same wishes.

It is understood that the China Information Association is expected to be officially founded this fall.

**Councillor Wants Corruption-Free Aid for Poor**  
*OW2107120389 Beijing XINHUA Domestic Service*  
*in Chinese 1403 GMT 30 Jun 89*

[By RENMIN RIBAO reporter Wu Changsheng (0702 7022 3932) and XINHUA reporter Pu Liye (5543 4539 2814)—"Local Broadcast News Service"]

[Text] Beijing, 30 Jun (XINHUA)—"In the work of aiding the poor, we must seriously investigate and handle cases of embezzling; diversion of funds for other

purposes; retaining or illegally dividing among individuals funds earmarked for the poor; and reselling materials for the poor at a profit. This should be done in conjunction with the efforts to ensure corruption-free party and government organizations," said Chen Junsheng, state councillor and head of the State Council's leading group for assisting the economic development of poor areas, at the eighth meeting of the leading group which opened today.

The meeting will study mainly two topics: ways and means for making the best use of funds and materials to assist the poor, and ways to integrate family planning with assistance to poverty-stricken households.

Chen Junsheng said: In carrying out the work of aiding the poor in recent years, the large number of cadres in poor areas have persisted in and displayed our party's fine tradition of working hard and sharing weal and woe with the people. In some areas, they have explicitly put forth the slogan of "not constructing new county office buildings before the masses shake off poverty." Their spirit and practice deserves encouragement and publicity. However, in a few places, funds to assist the poor have been retained or diverted for building auditoriums, guesthouses, and offices, or for other uses, in disregard of the poor's basic needs. What is more, cadres of a few departments and units have even embezzled and illegally divided funds among themselves and resold material for the poor at a profit. Although such cases are rare, they have produced extremely adverse effects and seriously discredited the party and the government. Therefore, it is necessary to adopt more effective measures to check the occurrence of such incidents.

He said: It is imperative to investigate and punish anyone who has violated law and discipline, regardless of his background. Severe punishment must be meted out for "profiteering officials" who have abused their power and position for personal gain. Not only should they be given disciplinary action or investigated for criminal responsibility, depending on the nature and seriousness of each case, but their illegal gains should also be confiscated. The standards, methods, and quotas of distributing funds and materials by all departments and units should be made public, as should the items, types, and contents of projects using the funds and materials for the poor, as well as the number of poverty-stricken households benefited by each project, and its results. All poor counties and provinces, autonomous regions, prefectures, and cities with relatively large poverty-stricken areas should make good use of the existing crime-reporting centers to encourage the masses to expose and report problems related to aid to the poor.

**Communications Minister Attends Liaoning Meeting**  
*SK2007070089 Shenyang Liaoning Provincial Service*  
*in Mandarin 2200 GMT 18 Jul 89*

[Text] The on-the-spot meeting sponsored by the Ministry of Communications on exchanging experiences gained in building express highways opened in the Youyi Guesthouse of Shenyang City on 18 July.

Attending the meeting were Zou Jiahua, councillor of the State Council; Wang Ximin, deputy secretary general of the State Council; Ye Qing, vice minister of planning; Qian Yongchang, minister of communications; Huang Zhendong, president of the State Communications Investment Corporation; Quan Shuren, secretary of the Liaoning provincial party committee; Li Changchun, governor of Liaoning Province; Lin Sheng, vice governor of Liaoning Province; Peng Xiangsong, vice chairman of the Liaoning Provincial Chinese People's Political Consultative Conference Committee; and vice governors and vice mayors of 16 provinces and cities throughout the country as well as directors of communications departments or bureaus, a total of more than 100 persons.

Wang Zhanyi, vice minister of communications, presided over the meeting. Qian Yongchang, minister of communications, addressed the meeting.

In his speech, Qian Yongchang stated: The reason for the convocation of today's meeting in Shenyang is because Liaoning Province has built the longest express highway with the highest standards and finest quality in our country, and has provided us with the necessary understanding on building express highways; its systematic and precious experience in enhancing leadership over construction, opening fund sources, carrying out construction operations in a planned manner, and conducting highway management; and the spirit displayed by the province's people in building the Sheng-Da express highway. During the meeting, the participants will hear a report on the province's experience gained in building the express highway and will make an observation tour of the highway. On behalf of the Ministry of Communications and the communications front throughout the country as well as the relevant departments, I would like to extend thanks to the important contributions made by the province's people to building modern highways.

During the meeting, Lin Sheng, vice governor of Liaoning Province, delivered a speech in which he described the methods and experiences gained by the province in building the Shenyang-Da express highway.

In referring to the important role played by the Shenyang-Da highway in his speech, Vice Governor Lin Sheng stated: The Sheng-Da highway to date has been opened to traffic in some sections and has formally undergone transportation operations for 9 months. It has scored marked economic results and social benefits. Practice has shown that the express highway is a road to making the province prosperous and flourishing and building civilization. After completely being opened to traffic, the express highway's daily vehicular flow may reach 50,000 cars, the daily volume of goods transported may reach 80 million tons, and the daily number of passengers transported may reach 130 million. The express highway's transportation capacity is equal to that of eight second-grade highways of the same length. It may create more than 400 million yuan of social benefits each year.

Meanwhile, the number of traffic accidents may show a 65 percent decrease over that of the original highway. The Shenyang-Da express highway will be the backbone of the leap forward taken by the province's economy, the main artery of opening the Liaodong peninsula to the outside world, and a large passageway for developing the economy of the northeast areas of China and building national defense.

During the meeting (Lian Chenghui), director of the provincial Communications Department, delivered a special report on the work situation in building the express highway. Governor Li Changchun also delivered a speech in which he, on behalf of the provincial party committee and the provincial people's government, welcomed the participants and stated that the province was very glad to draw on or learn from the experiences gained in this regard by outside provinces and cities.

#### Article Criticizes 'Elegy of Huang He'

HK2107020589 Beijing RENMIN RIBAO in Chinese  
19 Jul 89 p 1,2

["Article by Yi Jiayan [2496 1367 6056]: "What Did 'Elegy of Huang He' [he shang 3109 29999] Advertise?"

[Text] RENMIN RIBAO editor's note: In the second half of last year, the special television series "Elegy of Huang He" was presented twice to viewers, gaining considerable fame at home and abroad at the time. In the words of Su Xiaokang, one of its chief script writers, "Elegy of Huang He" was "very much in the limelight." Amid the numerous words of praise, however, different views were voiced by quite a number of comrades. Some comrades asked indignantly: What does "Elegy of Huang He" actually want to advertise? This article was written and finalized in October 1988. Now, in accordance with the writer's intention, we publish this article here for the first time without changing a single word.

The writer of the article said that he used "Yi Jiayan" as his pen name because it was homonymous to "words of one school [yi jia zhi yan 0001 1367 0037 6056]." It goes without saying that when there are different opinions about a work, everyone has a right to contend. Yet, when the article by "Yi Jiayan" was completed, Comrade Zhao Ziyang unequivocally expressed his stand: It should not be published. Meanwhile he gave a video tape of "Elegy of Huang He" to a foreign guest and said that it was worth viewing. Was this in line with the principle of letting a hundred schools of thought contend? It is quite right to stand for less intervention and involvement by the party in questions regarding concrete literary and art works and academic issues as long as the party maintains its leadership over political principle and orientation in literary and art undertakings. As can be seen from this instance, however, the meaning and political inclination of what Comrade Zhao Ziyang said about "less intervention and involvement" in literary and art works is radically different from what the party stands for. In reality, he wanted "less intervention and



involvement" by the broad masses of comrades who advocated upholding Marxism-Leninism-Mao Zedong Thought in the literary and art field but more intervention and involvement by the small number of people who advocated persistent practice of bourgeois liberalization in the literary and art field. Otherwise, how could he say "less intervention and involvement" and, at the same time, intervene in another person's article and refuse to let it be published?

"To serve the people and serve socialism" is the orientation of literary and art work. We hope that the broad masses of literary and art workers will seriously study and implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's important speeches, take a clear-cut stand in upholding the four cardinal principles and opposing bourgeois liberalization, and do a still better job in keeping to the "two serves" [serving the people and serving socialism] orientation so that our literary and art undertakings will play a more important role in building socialist material and socialist spiritual civilization.

"Letting a hundred flowers blossom and a hundred schools of thought contend is our party's consistent policy. In the days to come, we must continue unrelentingly to implement this policy so as to make our literary and art work prosper and promote the development of theoretical studies in the interest of our great socialist cause. [end of editor's note]

The broadcast of the television series "Elegy of Huang He" has evoked intense repercussions and heated debate among vast numbers of viewers and among ideological and theoretical circles. It was an arduous job to present an "overall review" of a 5,000-year-long history and civilization, and the fact that it drew differing views was a matter of course. So, it is entirely necessary to conduct a deep-going discussion on the subject. The authors of the series show concern and anxiety over how to free China from backwardness. However, many basic viewpoints and judgments in the television series are incorrect and even harmful, because the authors lack sufficient theoretical preparations and knowledge and do not assume a serious attitude.

My comments on "Elegy of Huang He" are as follows:

1. "Elegy of Huang He" is in fact an elegy of the entire Chinese nation. It not only announces the death of the so-called "Huang He civilization (Chinese culture)," but also totally negates a great nation and its long culture and traditions.

The authors say categorically:

"Asia's sun has fallen from the sky;

"This stretch of loess land and the Huang He alone - - - [XINHUA ellipses] can no longer cultivate a new culture;

"It is no longer possible for a brand-new civilization to emerge from the Huang He;

"This stretch of yellow land cannot teach us anything about a genuine scientific spirit;

"The destructive Huang He cannot teach us what a genuine democracy is; and

"Fate has arranged such a living space for Chinese people."

These statements reflect typical national nihilism and pessimism, as well as typical historical fatalism.

2. "Elegy of Huang He" interprets Chinese history with an idealistic concept of history, a theory which assumes that geographic environment plays a decisive role, and a view that Chinese people are born foolish and inferior; not with a materialist concept of history, or with a view of changes in modes of production and changes in social factors. The authors believe that history is "decided by characteristics of civilization," and that "characteristics of civilization" are decided by geographical environment. "Elegy of Huang He" says: "Unlike Europeans who live around the Mediterranean and unlike Americans who live between two oceans," the Chinese people "are sentimentally attached to the continent and have never been able to go beyond the confines of land toward the ocean," and this has decided "China's destiny" and the backwardness, closeness, and conservativeness of its "inland civilization" and "yellow civilization." They conclude that the "Huang He civilization" is a "civilization of failure."

3. "Elegy of Huang He," without any analysis, satirizes and negates such symbols of the Chinese nation as the Huang He and the Great Wall. It even regards "yellow water," "yellow soil," "yellow beans," "yellow rice," and even "yellow skin" as signs of backwardness and hopelessness of Chinese culture. This is an extremely bad insult to our 1 billion people, including the tens of millions of "descendants of the Yan and Huang emperors" who reside in Hong Kong, Macao, Taiwan, and other parts of the world. It evokes aversion and criticism among the many Overseas Chinese compatriots.

4. The Chinese nation has a strong ability to stick together. In the past, despite the internal wars among independent warlords and the external aggression aimed to divide China, the Chinese nation had invariably been able to preserve its unified vast territory through unintermittent struggle. The authors of "Elegy of Huang He," however, doubt or even mock at all past efforts to fight for the unification of the motherland. They say that, in contrast to the situation in Western Europe, Japan, and India in the Middle Ages, where "numerous countries" kept "carving up new territories," "China, the only country in the East, had a vast unified domain," adding that this is the "hardened fact" of backwardness and that "the ghost of the notion about being large and being the

No unified country still seem to roam about in the vast land of China." The authors believe that this notion should be ignored. This point of view which negates the unification of the Chinese nation and calls for the "division of territories" by "various countries" in China's domain does not favor the unification of the motherland and runs counter to the aspirations of the hundreds of millions of Chinese people.

5. "Elegy of Huang He" does not distinguish between the working people's struggle against oppression, exploitation, and foreign aggression and for national independence and the turmoil created by the wars among independent warlords in China's history. On the contrary, the authors say that past just struggles against imperialist aggression, including slave and peasant uprisings, are not something of "revolutionary significance as described by some theoreticians." On the contrary, they describe the struggles as evil activities "demonstrating shocking destructiveness and cruelty" and "ruthlessly destroying the accumulated productive forces again and again." On the other hand, they say, "no country in this world pursues the unique philosophy of life of obeying fate as it comes from heaven as China does."

"Elegy of Huang He" says: "Why did the turmoil" during the Great Cultural Revolution "occur only about 10-odd years after the turmoil before liberation? Does this mean that the ancient cycle of social upheavals still continues?" Here, it obviously places China's revolutionary wars, the War of Resistance Against Japan, and the liberation war on a par with the "Great Cultural Revolution," describing these wars as "cyclical social upheavals which occur every 7 or 8 years" and trying to negate them. The TV series makes no mention of the heroic struggles against imperialist aggression since the Opium War, but it downgrades and even mocks Lin Zexu, Wei Yuan, and Deng Shichang. This amply shows that the authors of the series should not have adopted such an attitude regarding the people's struggle for national independence in China's history.

Thus, "Elegy of Huang He" completely distorts China's history, particularly its modern history and contemporary history since the Opium War. In expounding China's modern history and contemporary history, the TV series makes no mention of great revolutionaries and thinkers such as Dr Sun Yat-sen and Lu Xun, who used their brains and personally took part in efforts to change China's historical destiny. This is not accidental.

6. "Elegy of Huang He" gives no historical status to the people's revolution to topple the "three big mountains" under the leadership of the Communist Party of China [CPC], to the founding of the People's Republic of China, which changed the world's balance of forces, and to the extermination of the exploiting system and the carrying out of socialist construction in China. The only historical incidents since the founding of New China it mentions are "the fanatical great leap forward" and the

"unprecedented Great Cultural Revolution." The Communist Party and its leader Mao Zedong appear many times in the series as a negative target of mockery. The authors lament China's loss of the opportunity to choose "capitalism" in both the modern and contemporary eras. In fact, the TV series announces the complete failure of the historical practice of applying Marxism in observing Chinese society and of choosing the road leading to socialism over the new democratic revolution under the leadership of the CPC. This is a complete distortion of China's history.

"Elegy of Huang He" negates not only the necessity of practicing socialism in China but also the necessity of the October Revolution in Russia. It borrows Plekhanov's mouth to prove that the seizure of power under Lenin's leadership had been "too early" and "bypassed" the "necessary development period," thus "bringing disastrous failure to the economy."

The series asserts: "The knell has not been tolled for capitalism, as was predicted by Marx a long time ago," indicating that it is only a "utopian" fantasy that socialism will inevitably replace capitalism. However, aren't the October Revolution, the Chinese Revolution, and the establishment of the socialist system in one country after another a vivid expression of the historical process leading to the inevitable extinction of capitalism? As it is impossible for the capitalist system to emerge in all countries, so it is impossible for the socialist system to be instituted in all countries. "Elegy of Huang He" completely ignores the great guiding role Marxism played in the practice of the Chinese Revolution and the historical process. Marxism no longer plays any useful role in conducting "cultural reflection" and "historical transformation" in China. In fact, it is discarded as a "traditional concept" that needs to be changed totally.

7. On the other hand, the series endeavors to eulogize and beautify Western civilization, or European civilization, as well as blue civilization, or bourgeois civilization. It says: "Capitalism is turning the two wheels of industrial revolution and free trade, thus triggering a great takeoff and a dual historical chorus of science and democracy." However, it fails to refer to anything about the bloody and evil history of aggression, pillage, ravage, and killing committed by old-line imperialists against China over the past 100 years or more under the pretext of free trade.

The series speaks for the "theory of a European center," affirming that only capitalism can save China and that "total" westernization by taking the road of "blue civilization," or bourgeois civilization, is the only way out for China. It terms the "blue civilization" as the "new light of dawn," maintaining that the only approach to "prevent civilization from declining" is to "open the gate of China to the outside world" and to "greet" the "new dawn of science and democracy." It contends that this is the "only choice," which we should not reject. This "choice" means that we should change the "color"

of our civilization. The reform referred to by the authors is tantamount to using "Western civilization," or the so-called "blue civilization," to replace the so-called "yellow civilization," and to using the "blue oceanic civilization to water the dry loess." In a show of support for this propaganda, some newspapers even published such a view that the "concessions" foreigners established in China were not "hotbeds of crime," but "harbingers of civilization."

8. Although the series contains many words supporting and calling for reform and opening up, its stand and appeal are not identical to those of the principles of reform and opening up outlined by the CPC Central Committee and Comrade Deng Xiaoping; rather, they run counter to the goal of establishing a modern socialist power with Chinese characteristics. Neither reform nor opening up means to implement "total westernization" and take the capitalist road. As early as 1979 Comrade Deng Xiaoping pointed out: "A number of people are now spreading the argument that socialism is inferior to capitalism. We must refute it." This advice is not out of date today.

9. The authors assert: "Chinese intellectuals have always attached themselves to political authority." "They have yet to become an independent social group and they lack a consciousness of independent character." Are not the thousands upon thousands of advanced intellectuals, under the leadership of the CPC, working together with the masses of working people and conscientiously bringing into play their talents and strength for the great cause of revolution and construction? Could it be possible that even the pioneers among contemporary Chinese ideological and cultural circles do not have any "consciousness of independent character?" At the same time, they also assert: "This series, 'Elegy of Huang He,' not only shows that an elite cultural group with an independent academic consciousness has emerged, but also displays the fruits of its independent reflection on the destiny of the nation." They proclaim themselves to be the representatives of China's "entire cultural elite" who have freed themselves from the "confines" of history and declare that "Elegy of Huang He" embodies the "concern of the entire cultural elite for the national destiny" and offers to Chinese "a new world outlook." For all practical purposes, they regard themselves to be an independent, leading force "not attached to political authority" for promoting social reform in China.

10. "Elegy of Huang He" contains serious academic flaws. In total disregard of the internal relationship of things, it scraps together certain randomly selected phenomena and phrases and makes a "superficial historical comparison of them," an approach that was opposed by Marx. It does not verify the facts and quotations and arbitrarily interprets Marxist classics. It says, for instance, that "after the May 4th Movement, Western culture and thought, including Marxism, spread widely in China." This statement completely negates that "the West" is a political concept; it negates the bourgeois

nature of "Western culture and thought" as well as the fundamental difference in nature between Marxism and Western culture and thought and downgrades Marxism as a mere appendage of "Western culture and thought." For another instance, while discussing the 1840 Opium War, it first introduces how Britain opened China's closed door and then quotes from Marx's essay "The Chinese Revolution and European Revolution": "It seems that historical development wants to anaesthetize the people of this country and, after that, it may be possible to wake them up from their state of anaesthesia." By quoting Marx, "Elegy of Huang He" intends to prove that Britain did China a service by starting the Opium War. That essay of Marx, however, was not written in 1840, nor did it focus on the Opium War. It was written in 1953 in praise of the revolution of the Taiping Heavenly Kingdom. He pointed out clearly that that revolution broke out because Britain, with the support of its cannons, sold opium. Marx condemned the British invasion; his essay had nothing in common with "Elegy of Huang He", which prettifies that kind of invasion.

Moreover, the civilization of Germany, an economically developed nation, cannot be characterized as a "maritime civilization." Many maritime countries are economically backward, and what kind of civilization is theirs? For another example, Zhang Heng served as a grand historian for 14 years, but the authors said that he served in that post for "a few days." Zhu Chongzhi and Song Yingxing both served in government for long periods of time, but the authors claimed that they "never held any public office in their entire lives." Wolong Hill, where Zhuge Liang farmed and lived as a hermit, became, in the TV series, the place where he "rested in peace." Errors like these are numerous in the series. They call "Elegy of Huang He," a hodgepodge laden with errors, put together with bits and pieces of irrelevant data, a "breakthrough" and "the greatest achievement" among thinking circles in China and hail the emergence of the "Elegy of Huang He" as a "new enlightenment." The way they blow their own horn cannot but arouse people's scorn.

The above are my views on some of the major points touched upon in "Elegy of Huang He"; there is not enough time for me to discuss them in greater depth. Without doubt, those points are important and worth discussing. We should be able to fully air differing views. It is hoped that in-depth discussions will be conducted on the basis of a good command of data.

**CYL Circular Urges Youths To Emulate Heroes**  
*OW1907121689 Beijing Domestic Service in Mandarin*  
*0930 GMT 18 Jul 89*

[From the "National Hookup" program]

[Text] The Communist Youth League [CYL] Central Committee issued a circular today calling on CYL organizations at all levels to launch an extensive campaign to



emulate the warriors of the Republic by further mobilizing and organizing all members, as well as the broad masses of youths. They must be encouraged to learn from the Liberation Army, to take heroes as their model, to persist in the correct direction, to vow to struggle in the pioneering spirit, and to continue to promote China's reform and construction.

The circular stated: In launching the campaign to emulate heroes, CYL organizations at all levels should concentrate their attention on fostering an ardent love for the CPC, the socialist motherland, and the People's Army. It is necessary to adopt various measures in launching and achieving effective results in the campaign that will reflect the reality found in each locality or unit.

The circular said: CYL organizations at all levels should regard the campaign as a concrete expression of the implementation of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. All CYL cadres and members should set good examples for the broad masses of youths, cherishing the stability won with the blood of martyrs and devoting themselves wholeheartedly to production, study, and work in all fields. In this way, they will contribute to stabilizing the overall situation, to safeguarding order, and to promoting production to make up for the losses caused by turmoils and riots.

In conclusion, the circular called on CYL organizations at all levels to carry out the emulation campaign in close conjunction with the commemoration of the 1 August Army Founding Day by carrying out all kinds of interesting and educational activities pertaining to cherishing and learning from the Liberation Army. By such means, they will seek to fire greater enthusiasm and creativity among the large numbers of CYL members and youths to rouse themselves and contribute more to promoting the cause of reform and socialist modernization.

#### **Women's Federation Makes Pledge at Meeting**

OW2007033789 Beijing XINHUA Domestic Service  
in Chinese 1216 GMT 13 Jul 89

["Local Broadcast News Service"]

[Text] Beijing, 13 Jul (XINHUA)—The Third Meeting of the Sixth Standing Committee of the All-China Women's Federation ended here today. The meeting urged women throughout the nation to carry out the tasks set by the recent plenary session of the 13th CPC Central Committee, and to make new contributions to opening up a new situation in women's work in China.

Chen Muhua, vice chairman of the National People's Congress [NPC] Standing Committee and chairman of the All-China Women's Federation, chaired and spoke at the meeting. She said: To win a decisive victory in stopping unrest and putting down riots, we must motivate the vast numbers of women, actively support

departments concerned, further expose a very small number of people's plots to create turmoil, and thoroughly remove all kinds of hidden troubles which affect social stability. For those young students and people who are ignorant of facts and committed some wrongdoings, we, as mothers and heads of families, must use our special influence to patiently help them reconsider their acts, change their attitude, sum up lessons, and enhance their understanding. We must work hard to safeguard social stability.

#### **'Long,' 'Tortuous' Path Predicted for Democracy**

OW2007023989 Beijing XINHUA in English  
0137 GMT 20 Jul 89

[Text] Beijing, July 20 (XINHUA)—The establishment of a socialist democracy in China should proceed in an orderly, gradual and steady way, says an article in the national leading newspaper "PEOPLE'S DAILY".

The reason is that China is economically backward, with a long tradition of feudalism and a significant portion of its citizens poorly educated, it explains.

The political practices of a certain country are dictated by historical conditions and reality. The ideas and practices of democracy have developed with the development of commodity exchange.

"So, the building of democratic politics in China today must be based on the concrete economic and social conditions of the country, rather than on the abstract and 'universal' ideas of democracy," the article says.

At present, China is still at the initial stages of a market-oriented economy. This is the decisive factor which stays the process of democratization.

The social stratum of independent commodity producers has not really come into being, and, therefore, an influence that is strong enough to restrain bureaucracy is absent.

People's rights of democracy and freedom are not fully guaranteed materially.

People's independent political personalities, the article goes on, based on their own economic interests are also missing. Their sense of free choice, free competition and desire for equal opportunities remain rather thin—all the stamp of a long, self-sufficient economic tradition.

All in all, the underdeveloped market-oriented economy in China is directly holding up the progress of democracy.

Besides, in the course of introducing socialist democracy in the country, China has to break with the abiding feudalist ideas and analyze the ideas of bourgeois democracy.



Taking into account this and the fact that the country is economically backward, it will surely be a long and tortuous path to establish socialist democracy in China.

The article says, to attain the goal of the establishment of socialist democracy China should undertake a few tasks.

In the first place, China should greatly promote its economic development so that the socialist democracy in the country has a sound material guarantee.

Secondly, China should go all out to promote the education of the broad masses in order to raise the quality of the Chinese citizenry as a whole and bring its values and ideas up to date, which is indispensable to the realization of socialist democracy in the country.

Thirdly, China should promote the reform of the country's current political set-up, while persevering in economic reform, which, having gone on for a decade and achieved important results, calls for a political reform to match.

Fourthly, China should promote the progress of socialist democratic politics, starting with introducing sound procedures and forms of democracy.

At present, China should especially see to it that major decision making is open to the masses, new channels of dialogue and consultation are opened and supervision over government operations is really introduced, says the article.

#### **Construction of Democracy in PRC Examined**

*OW2107103189 Beijing XINHUA in English  
0954 GMT 21 Jul 89*

["Democracy Should Fit China's Reality"—XINHUA headline]

[Text] Beijing, July 21 (XINHUA)—Democracy in China should not be separated from the proletarian class nature, leadership of the Chinese Communist Party, the socialist legal system and China's reality, the "PEOPLE'S DAILY" says today.

In an article under the title "What Kind of Democracy We Need", the paper says, many college students have chanted the slogan "We want democracy" and claim to have "dedicated themselves to democracy" in recent years.

But few can say clearly what kind of democracy they want. Blind worship leads to blind action, the paper says, adding this was made use of by only a tiny number of conspirators to launch political turmoil and later the counter-revolutionary rebellion.

But democracy is not abstract. There has never been a classless democracy, the paper notes.

Democracy in capitalist societies has always been restricted by capital or property and the exercise of democratic rights is not allowed to encroach on the capitalist system, the paper says.

While socialist democracy is, in essence, to make the people their own masters. [sentence as received] Though we have a long way to go to perfect our democratic system, the Chinese people are enjoying extensive democracy and freedom. Nobody can deny this basic fact.

Referring to the relationship between democracy and the party's leadership, the paper says, the Communist Party of China (CPC) has all along regarded people's democracy as its objective for the past 70 years. Since it was established in 1921, the CPC led the Chinese people to build a country practising people's democratic dictatorship.

Since the founding of New China, the party has done a great deal toward setting up a socialist democratic system and has gradually legalized the system. The democratic rights of the people are steadily expanding.

Enforcing the party's leadership conforms with the improvement of socialist democracy, the paper stresses.

It is under the party's leadership and with the concerted efforts of the entire nation, that China will create a kind of democracy more extensive and realistic than that in developed countries, the paper reports.

If we pursued the democracy leading to bourgeois liberalization, our country would become chaotic and the people would lose the democratic rights they have attained, the paper says.

Meanwhile, democracy cannot be separated from the socialist legal system. Otherwise, democracy will develop into ultra-democracy and anarchism, which is an objective reality independent of man's will.

China's Constitution and other laws and regulations place limits on people's democratic rights and provide obligations and procedures for the exercise of such rights. All these guarantee democracy in China.

In exercising such rights, no citizen is allowed to harm the interests of the state, society and collective and legitimate rights and interests of other citizens, the paper says.

During the turmoil in Beijing, some students and people working in other fields ignored the Constitution and state laws and did whatever they wanted and finally brought great suffering to the people.

In addition, some students and other people who lack an understanding of the real situation in China intended to introduce the general elections and parliamentarism of the West into China and expected to build a political system with a high degree of democracy in China overnight.

These are only unrealistic notions, the paper notes.

The socialist system was built on the foundation of a semi-feudal and semi-colonial society. China's economy and culture are still rather backward. Many people are feudal-minded and have no consciousness of democracy.

All of these points indicate that building a socialist democracy in China should proceed in an orderly and step by step way.

#### Article Views Nature of 'Rumormongers'

HK2107105089 Beijing RENMIN RIBAO in Chinese  
13 Jul 89 P 1

["Everyday Talk" column by Yi Chengyou (2496 2052 0645): "An Analysis on 'Speaker Being Blameless'"]

[Text] The arrest of rumormonger Xiao Bing was a lesson for many people. But there were also those who did not comprehend this and asked: "Oh! Is this not a case of 'the speaker being guilty'?" This kind of opinion is worth analyzing.

Since the 3d Plenary Session of the 11th CPC Central Committee, our party has done away with the evil practice of arbitrary "waving of the big stick" and of arbitrary "labeling", reemphasized the basic principle in democratic life of "the speaker being blameless," encouraged the speaking of the truth, emancipated the people's minds, and achieved the goal of opening up communication channels. However, along with the proliferation of bourgeois liberal ideas, some people thought that the concept of "the speaker is blameless" meant irresponsible statements. A small handful even took the opportunity to create various sorts of rumors, and openly made up wild pronouncements which viciously attacked the Communist Party of China and the socialist system. Their speeches have long deviated from the path of democracy and the legal system, and seriously undermined as well as destroyed social order.

Everyone knows that every single word that one utters will have a certain social effect. When people are ignorant of the truth, they can be duped and deceived by any hearsay not conforming to facts, and this, in turn, helps to stir up turmoil. Does not everything that took place in the capital city of Beijing since mid-April prove this point! Hence, "the speaker is blameless" is not equivalent to "the rumormonger is blameless." Our country's criminal law stipulates that acts involving the instigation of counterrevolutionary activities as well as the slandering of other people through distortion of facts must be investigated and the perpetrators prosecuted according

to the law. It is but natural that Xiao Bing "is convicted for his statements." Is nonsensical talk which violates the four cardinal principles, hearsay which undermines stability and unity, and lies which drive a wedge between the party and people not to be dealt with nor investigated simply because of the concept of "the speaker is blameless?"

Naturally, we should continue to foster democracy, open up communication channels, and adhere to the concept of "the speaker is blameless" in the political life of the people. In this political struggle, it is necessary to differentiate between the people who said wrong things because they were either unaware of the true situation or were misguided for a while and those who carried out vicious instigation with counterrevolutionary motives.

#### Trade Unions Act To Strengthen Labor Protection

OW1907123989 Beijing BEIJING REVIEW in English  
No 29, 17-23 Jul 89 pp 23-24

[Article by staff reporter Wu Naitao: "Trade Unions: Strengthen Labour Protection"]

[Text] Millions of workers in the world suffer from industrial accidents and occupational diseases every year. China, where the level of industrialization is rising daily, is no exception. And even though China's labour protection system was affirmed by the Asian and Pacific Workers' Education Symposium on Labour Protection, Working Conditions and Trade Unions held in Beijing last April, China is facing increasingly difficult and complex problems. According to incomplete statistics, prior to 1983 less than 200 serious accidents (in which more than three people died in one accident) occurred annually in national industrial and communications enterprises. This figure had risen to 307 cases in 1987.

There are about 100 million members in the All-China Federation of Trade Unions. They are distributed in some 530,000 grass-roots trade union organizations, most of whom work in industrial and communications enterprises. According to Ni Zhifu, vice chairman of the NPC [National People's Congress] Standing Committee, China's trade unions perform a valuable duty in labour protection as they fight against the sometimes invisible murderer of industrial accidents and occupational diseases.

#### Help Enact Laws

China has promulgated more than 170 types of laws, rules and regulations on labour protection. A relatively complete set of state standards on labour safety and health requirements has also been laid down. From 1981 to 1985, for example, some 55 standards were drafted. These included standards for guidelines, methods, technology and tools of production, safety of equipment and

special installations, apparatuses and individual protection. Trade unions all participated in the drafting work or raised suggestions in the process of establishing these rules and standards.

Trade unions have their representatives in various organizations of the National People's Congress and the Chinese People's Political Consultative Conference. They are also active in airing their views and putting forward their suggestions in the area of labour protection policy.

In 1984 and 1985, the All-China Federation of Trade Unions made a careful investigation and analysis of 304 typical casualty accidents, and then put forward to the State Council suggestions on "focus on production safety and control of casualty accidents." The Trade Unions also raised suggestions about strengthening safety management and strictly curbing infractions of work regulations. Approved by the State Council, the suggestions are currently in force throughout the country and thus play a positive role in controlling accidents. The Trade Unions also made a countrywide investigation into and conducted research on the harmful effects of powder dust and other occupational diseases, voicing their opinions to the State Council about the best way to solve these problems.

### Supervisory System

In China's enterprises, a system for labour protection and safety inspection is being widely practised. As of this date, 1,627 inspectors have been licensed by the All-China Federation of Trade Unions; 422,000 grass-roots (workshops) commissions of trade union labour protection, supervision, and examination have been established; and more than 3.1 million inspectors in trade union groups for labour protection have been appointed. The Rules for Labour Protection and Supervision laid down by the trade union give clear qualifications, such as a person's professional knowledge, and work capacity for inspectors at all levels as well as their respective functions and powers, giving inspectors the authority to curb the activity of any person who works in violation of the laws and regulations. Inspectors also have the power to approve employees' right not to work after discovery of clearly dangerous occupational hazards on a site and to organize their evacuation from the work area.

Safety inspectors active in production usually have high skills and rich experiences which enable them to discover unsafe and hidden dangers and instantly adopt effective measures to prevent catastrophes. For example, safety member Xiao Xinqiu of the Niumasi Mine in Hunan Province found a dangerous situation during work hours. He immediately warned his 20 or so colleagues off the mine. As the workers had run barely 20 metres away, the face caved in. Fortunately, all the workers were saved.

In recent years, some 20 important projects at the state and ministerial levels were examined and approved by the safety supervision inspectors dispatched by the All-China Federation of Trade Unions and the National Committee of the Industrial Trade Unions. According to state stipulations, such major projects are not allowed to enter into production without the examination and endorsement of the trade unions.

Trade unions should deal with industrial accidents, particularly large accidents, such as the powder dust explosion accident in Harbin Flax Factory which occurred several years ago, and the serious 1988 train overturn accident. At the time, the trade unions sent their own experts to participate in the investigation.

### Training

Although the labour protection membership within China's trade unions is large, the educational level of inspectors needs to be raised. According to 1987 statistics, labour safety inspectors with a college education and holding a card of the All-China Federation of Trade Unions accounted for only 66.67 percent of the total. As for the individual trade union group's inspectors, their educational and technical levels were still lower. For this reason, the trade unions are making greater efforts to implement their education and training plans.

At present, two workers' movement colleges and five workers' universities under the trade unions have set up a labour protection department and speciality. Nearly one thousand students have graduated or are studying in such departments. In recent years, about 100 regional educational centres of labour protection speciality and 3,000 education offices of enterprise labour protection have been established throughout the country. From 1982 to 1983, about 5,000 classes of various types were held, training more than 500,000 people. According to Li Yongan, head of the Economic and Technical Labour Protection Department of the All-China Federation of Trade Unions, the trade unions plans to spend three years training 600 middle and high-level inspectors of trade union labour protection and supervision, and to publish teaching materials for trade union groups, so that up to 2 million inspectors can be given training. Li expressed the hope that, in facing an increasingly serious industrial accidents and occupational diseases situation, the trade unions will be able to independently carry out labour protection and supervision, work for the control of casualty accidents, prevent occupational diseases and improve the work environment.

### Military

**Generals Hong, Chi Visit Martial Law Unit**  
*OW2007145689 Beijing Television Service*  
*in Mandarin 1000 GMT 20 Jul 89*

[Text] [Video shows Hong Xuezhi and Chi Haotian greeted by officers and men of a martial law unit, then cuts to medium shots of Hong and Chi speaking with



several officers listening] This morning, Deputy Secretary General Hong Xuezhi of the Central Military Commission and Chi Haotian, People's Liberation Army [PLA] chief of general staff, visited a martial law unit and held a discussion with the leaders of the unit on how to strengthen education about the revolutionary traditions and how to intensify party building. During the meeting, all the participants freely exchanged views and reviewed what happened during the recent turmoil and rebellion. They also summed up their experiences in connection with the actual situation in the unit.

General Hong Xuezhi and General Chi Haotian pointed out: In the course of invigorating the activities of the party and raising the party's combat strength, party committees at all levels must play their role well as a leading core, the party branches must play their role well as a fighting bastion, and the party members must play their exemplary role well. To strengthen the party ideologically, it is essential to carry out education regarding the fine traditions of our party and our Army and concerning the party's basic line, principles, and policies. This will foster the thinking of placing the interests of the party and the people above all else and help people to become qualified PLA officers and men.

**Greater Openness Urged in Cadre Promotion**  
*HK2007042989 Beijing RENMIN RIBAO in Chinese*  
17 Jul 89 p 4

[Report by Zhang Xiangxian (1728 0742 6343) and Yu Baoyue (0060 0202 2588): "The Beijing Garrison CPC Committee and Political Organs Take Measures To Ensure Clean Administration"]

[Text] Starting with themselves, the Beijing Garrison CPC Committee and political organs have adopted a method of "making public five things and exercising supervision over two things" in regard to the admission to school of students and promotion and use of cadres in accordance with the principle of upholding fairness with openness and guaranteeing honesty in government with discipline, thus effectively promoting party work style and honesty in government.

In the last few years, the Beijing Garrison CPC Committee and political organs have persistently carried out the elimination of corruption as an important task. With the start of this year's student admission work, to avoid the possible emergence of unhealthy tendencies, the Standing Committee of the garrison party committee held a meeting to work out measures of equal competition. It stipulated: Those who have not met requirements, no matter whose family members and sons and daughters they are and no matter who intercedes, should not be admitted to school. Those who violate this stipulation will be punished for a breach of party discipline.

Recently the Central Military Commission decided to directly promote cadres from among the exemplary key soldiers of the martial law enforcement troops who had

made outstanding achievements in performing their duties, and to recommend them for admission to school. For this, the garrison party committee and political organs have changed the previous method under which the cadre department singly observed and offered suggestions on cadre promotion and student admission to school and adopted a new method in which the cadre department and the Discipline Inspection Commission work together to observe and make suggestions on such matters. To make things convenient for the masses to supervise, they have also adopted the method of "making public five things": making public policy regulations related to selection of student candidates to school, selection requirements, selection procedures, selection targets, and selection results. Thanks to the firm determination and effective measures taken by the garrison party committee and political organs, since the beginning of cadre promotion work, cases of intercessions by phone calls or sending discreet notices to the cadre department have not been discovered so far.

**Air Force Develops Pilot Protection Gear**  
*OW1907130489 Beijing XINHUA in English*  
0545 GMT 19 Jul 89

[Text] Beijing, July 19 (XINHUA)—The Chinese Air Force has developed a pilot respiratory tract protection device which, for the first time, enables its pilots to fight in nuclear and chemically contaminated environments.

The result of three years of research, the new device will bring the Air Force's technical combat ability much closer to advanced international standards.

Military experts believe that the newly-developed device fills a gap in the chemical defense capability of the Chinese Air Force.

Before the new device was invented, one expert points out, Chinese pilots' safety could not be guaranteed in contaminated areas. In case of a chemical warfare attack, the pilots would lose their combat ability within a few hours, he added.

The new device can also be applied to such civilian uses as worker protection and medical emergency aid.

**Economic & Agricultural**

**State Councillor on Production After 'Upheaval'**  
*OW2107093489 Beijing Domestic Service in Mandarin*  
0930 GMT 30 Jun 89

[From the "National Hookup" program]

[Text] The State Council called a national telephone conference on the afternoon of 30 June to review and expedite the drive to increase production and revenue and conserve resources and expenditure. It called on all cadres and workers on the industrial and communications front to firmly implement the policy of the CPC

Central Committee and the State Council to improve the economic environment, rectify the economic order, and deepen reform; to continue the drive to increase production and revenue and conserve resources and expenditure; and to score new successes in improving economic performance, so as to bring about sustained, steady, and coordinated economic development.

Addressing the conference, State Councillor Zou Jiahua said: During the recent counterrevolutionary rebellion in Beijing and the upheaval in other parts of the country, the vast number of cadres and workers, taking the interests of the whole into account and defying difficulties, persisted in production, fully demonstrating their high political consciousness and sense of responsibility. Facts show that during this severe political struggle, the Chinese working class withstood the challenge. They deserve to be called the masters of their socialist motherland and the main force in developing productivity and in maintaining stability and unity.

On behalf of the State Council and Premier Li Peng, Zou Jiahua expressed their heartfelt thanks and high respect for all cadres and workers on the forefront of production and scientific research in the country. He said: The guideline for this year's drive to increase production and revenue and conserve resources and expenditure is to implement the general policy on improving the economic environment, rectifying the economic order, and deepening reform; to place equal emphasis on increasing production and conserving resources, centering on improving the economic performance; and to increase production through conservation, fully tap the potential of enterprises, and fully accomplish the national economic plan.

Discussing what should be done to increase production and revenue and conserve resources and expenditure during the second half of 1989, Zou Jiahua pointed out the following:

1. Efforts should be made to readjust the product mix, increase the production of popular commodities, ensure effective supply, and expand exports. All regions and departments must prepare a list of their products, draw up plans for increasing output, and make priority arrangements for their production, keeping in mind what the nation's industrial policy requires as well as their actual situation. Technologically advanced, well-managed, and efficient large and medium-sized enterprises producing quality goods should be helped to solve their problems. Continued efforts should be made to intensify the management of various trades. Processing enterprises which produce shoddy and unmarketable goods, consume large amounts of energy and raw materials, or cause serious pollution must be consolidated, and their production should be restricted, switched, or suspended. One thing that must be especially pointed out here is: Those poorly built oil refineries set up around oilfields must be banned; and those poorly managed township enterprises which consume large amounts of energy and

materials for the production of shoddy goods must be consolidated so that the growth of township industries and village-run industries can be controlled.

2. Enterprises should consider it a priority to conserve energy and resources and strive to increase production through conservation so as to alleviate energy and raw material shortages.

3. Earnest efforts should be made to reverse deficits and increase profits and expand the capacity for assimilating new technology so as to achieve better economic performance.

4. Capital management should be improved in order to speed up capital flow and alleviate capital shortages.

5. Efforts should be made to improve product quality and technology.

6. To achieve better performance, enterprises should improve their management, tap the potential of their equipment, and improve production safety.

7. Enterprises should operate diligently and thriftily and take firm action to cut down nonproductive expenditures. All regions and departments must continue to act in accordance with the State Council circular on curbing social institutions' purchasing power and take resolute measures to help people understand the need to work hard and conserve resources. Earnest efforts must be made to enforce financial and economic discipline and eliminate illegitimate, nonproductive expenditures.

**Turmoil Causes Estimated Loss of 3 Billion Yuan**  
*OW2107123889 Beijing XINHUA in English*  
1206 GMT 21 Jul 89

[Text] Beijing, July 21 (XINHUA)—The social turmoil in some areas in May and June caused losses totaling 3 billion yuan in China's industrial production, an official said here today.

At a press conference here today, spokesman for the State Statistics Bureau Zhang Zhongji said, the daily production value in June, which usually increases six per cent over that of May, was only 3.8 per cent up this year.

He said, the production in Beijing suffered most, losing 800 million yuan in June.

He said, the turmoil has greatly affected the country's tourism industry.

The turmoil might also affect foreign loans to China but seems to have no impact on direct foreign investment, he said. In the first half of the year, China approved 3,032 projects involving foreign investment. The contract value of foreign investment reached three billion U.S. dollars, and the paid-in value was 1.256 billion U.S. dollars.

**Foreign Banks Unwilling To Lend Since Crackdown**  
*HK2107041189 Hong Kong HONGKONG STANDARD*  
*(BUSINESS STANDARD) in English 21 Jul 89 p 1*

[Text] If China doesn't receive new loans from foreign banks soon it will have trouble meeting its overseas debt, but foreign banks are unwilling to lend because of Western sanctions imposed after the bloody suppression of the pro-democracy movement.

"Before June 4, there was no problem. Everyone wanted to lend to China," a Japanese banker said. "Now, no one wants to lend so we are becoming nervous of its ability to repay. It will have to borrow again to pay off existing debts."

The continuing crackdown has provoked outrage in the West and a freeze on new loans by the World Bank and countries such as Japan and France.

A summit meeting of the leading seven industrial nations in Paris last weekend endorsed the bank's decision. Kuniji Miyazaki, chairman of the Bankers Association of Japan, said Japanese banks should be wary of making new loans to China.

"When you don't need money, everyone wants to lend it to you," commented a second Japanese banker in the Chinese capital. "When you need it, no one will lend to you."

Before the crackdown China was a welcome customer for foreign banks and able to obtain favourable terms.

Since then the government has stressed repeatedly its ambitious reform programme would not change.

"So they say, but the number one reformer and the man best known in the outside world is gone," the first banker said, referring to the June 24 sacking of Communist Party chief Zhao Ziyang, accused of aiding student protesters.

"The reforms will slow. Then what happens when (senior leader) Deng Xiaoping and the other old men die? What power struggles will there be then?"

He said Premier Li Peng had not made a deep impression when he visited Japan in April, adding: "We like Zhao." The CHINA DAILY newspaper says the country's debt has increased by 38 percent a year over the last four years, reaching U.S.\$42 billion at the end of March.

From next year, repayment of interest and principal will rise from the current \$7 billion a year to \$10 billion, the SHANGHAI NEWS DAILY forecast.

China's foreign exchange reserves were \$17.5 billion in March, about \$170 million above the January level, according to the People's Bank of China.

"One result of the chaos is a worsening of our external balance of payments this year with a drop in tourist income, foreign loans and foreign investment," the BEIJING FINANCIAL NEWS said. "This will force us to import less, worsening domestic supply shortages," it added.

Deputy Foreign Trade Minister Shen Jueren was more upbeat in remarks at Beijing's first international trade fair.

"We have ability to repay our debts, with the repayment level at 15 percent of annual export earnings," he said. "Those countries putting political and economic pressure on us are short-sighted and very unwise, harming not only China but themselves. Only if we can export can we import more," he said.

Another worry is China's trade deficit, which official figures say was \$5.785 billion in the first six months of 1989, more than four times the total in the first half of 1988.

Economists say it may exceed \$10 billion for the whole of 1989. Foreign currency earnings are also expected to fall because of a sharp drop in tourism.

**Commentator Urges 'Proper' Economic Growth Rate**  
*HK2007133089 Beijing JINGJI RIBAO in Chinese*  
*7 Jul 89 p 1*

[Commentator's article: "Maintain a Proper Rate of Economic Development"]

[Text] The leading central comrades recently stated that at the present time, the various ranks of leadership should grasp with one hand the work of completely quelling the counterrevolutionary rebellion and stabilizing the situation, and grasp with the other hand economic construction; they should work to prevent the economy from sliding downward, and work very hard to maintain a rational and workable economic development rate.

As everybody is aware, over the last few years the problems of aggregate demand exceeding aggregate supply in our economy have been relatively serious. The demand-supply relationships in finance, credits, materials, and market supply have been strained. All these had resulted in the appearance of price problems, which threatened the stability of the national economy. And it was under such a situation that the state implemented the policy of economic improvement and rectification. After more than 6 months of hard work, the economic situation started to turn for the better. However, the recent riots and the counterrevolutionary rebellion, which spread all over the country, have incurred tremendous economic losses and created new difficulties for economic improvement and rectification, as well as economic stabilization. Therefore, after putting down the riots and rebellion, we should of course double our



efforts to make up the losses. But more than that, we should cast our eyes to the future and work to maintain a momentum in which the economy develops steadily and at a proper rate.

To maintain a suitable economic development rate, the first thing is to stabilize the overall situation. The economy is the foundation. A steadily developing economy will effectively promote social stability. The present situation requires the economy to be kept at a certain growth rate. For instance, the industrial growth rate is intimately related to the state financial power. In general, the state financial revenue can enjoy a 6 percent increase for every 10 percent growth in national industrial output value. Given that the industry is yet to be launched on the path of an "economically efficient" type, if this year's state financial revenues are to reach 285.7 billion yuan, the industrial production will have to achieve a certain development rate. In another instance, the amount of retail commodities in our country totaled 744 billion yuan, and over recent years the natural increase rate has exceeded 15 percent. So, without a certain degree of industrial and agricultural growth, market stability will not be able to be guaranteed, nor will the price problems, which are closely related to market stability, be eased or resolved in a fundamental manner. Of course, to prevent the economy from sliding downward does not mean that it should be maintained at a high rate, as it once was. It means that the economy should be kept at a proper development rate.

It is also essential to maintain a proper development rate from a long-term point of view. According to the CPC central authorities' formulated "stride in three-step" development strategy, we will strive, on the basis of doubling the national output value, to again double it before the end of the century. The third step is to raise our country to the level of intermediate-developed countries in 50 to 60 years. The first goal, which was doubling the national output value, was achieved 2 years ahead of schedule, with an average growth rate of 9 percent. This achievement has won some time for fulfilling the second step. If, in the next 11 years, a 6 percent increase rate is maintained, the national output value can be doubled. But achieving an annual 6 percent increase rate is not an easy job. One instance of slightly letting up and the economy may slide; greater efforts would then have to be made to boost it up again. So, we need to grasp the work tightly and well.

To avoid an economic downturn does not mean that all industries, regions, and departments will all forge ahead simultaneously. It means a policy that distinguishes according to practical conditions, the requirements of economic improvement and rectification, and the state industrial policies. The structural contradictions in our economy at present are rather serious. A rather rapid industrial growth has outpaced the slow-growing agriculture. In industry, the processing industries have developed rather rapidly, particularly so in town and township enterprises. But, the basic industries are weak. The

production of such raw materials as raw coals, crude oil, and steel have lagged behind. At the same time, problems like backward traffic and transport, as well as an excessive investment scale in fixed capital, are also rather serious.

Therefore, we must unyieldingly uphold the policy of economic improvement and rectification, continue to reduce the scale of capital construction, and control the growth of consumption funds. We must concentrate all our efforts on developing such basic industries as agriculture, energy, traffic and raw materials, and strengthening the reserve strength of economic development. At the same time, we must control the development of the processing industries, bring them in line with the basic industries, and set a practical development rate for the processing industries in a rational economic structure.

Preventing the economy from taking a downturn trend answers the objective need, and is a target attainable through arduous struggle. Some people at home and abroad mistakenly see China's economy as being in dire straits. This evaluation is wrong. China's economy is still a big tree full of vitality, and we are confident that the national economy will develop in a stable manner, and steadily: First, the CPC central authorities and State Council adopted resolute measures and crushed the counterrevolutionary rebellion in Beijing; the national situation has been basically stabilized. Second, 40 years after establishing the country, we have slowly built up an independent, relatively complete industrial and national economic system. Third, through reform and opening up, the stifling restrictions on the national economy have been eradicated, and a preliminary, relatively vital mechanism with its own dynamics and self-regulatory functions has been set up. Fourth, we have taken the opportunity to reaffirm our intention of reform and opening up, of making this great project more stable, better, and faster. All these favorable factors are a guarantee for the smooth development of our economy.

It can be certain that as long as the entire party and people of the whole country pluck up their spirit, rouse themselves for vigorous efforts to make the country prosperous, and seriously sum up the lessons of experience, all difficulties will be overcome; and it is certain that our economic work will operate and develop healthily.

#### **Article Declares Privatization 'Impossible'**

HK2007142189 Beijing JINGJI RIBAO in Chinese  
4 Jul 89 p 4

[Article by Fang Jue (2455 6030): "Why China Cannot Practice Privatization"—first two paragraphs are JINGJI RIBAO introduction]

[Text] In recent years, some people have proposed the replacement of public ownership by private ownership, which means the practice of privatization in China, calling it an "institutional innovation." This idea not only cannot work in the political field. It is economically



not tenable. If this idea is accepted, China's reform and construction will be thrown into disarray and the country will be led astray. China is a developing socialist country. Its modernization has just started. If public ownership is replaced by private ownership in China, progress that is up to modern standards cannot be made in the country in terms of economic growth, in its economic structure, in the concentration of production, or in terms of the intensiveness of production, and social stability and social justice will be out of the question. This article deals with the question of why privatization cannot be practiced in China and points out that the fact that privatization is not practiced in China does not imply the negation of the existence and development, to a certain extent and within certain limits, of a private economy in the country.

In recent years, people have put forward the idea that in order to put an end to China's economic backwardness, it is necessary to practice privatization, in other words, to turn as many state-run enterprises into privately run enterprises as possible, thus breaking down the property rights in the public sector of the economy and allotting them to private individuals, and to extensively expand the private sector of economy. Closely related to this idea is the erroneous tendency to neglect the development and reform of the public sector of economy and state-run enterprises, to let the private sector of the economy freely develop and expand, and to give tacit consent to or even encourage the kind of "institutional innovations" that call for the replacement of public ownership by private ownership. If this is not reversed, China's modernization will run into chaos and difficulties. In order to put an end to all this, it is necessary to have a clear understanding of some of the fundamental problems concerning privatization.

**A developing country (particularly a big developing country) on its way to economic modernization faces three questions: First, the question of whether its total amount of macroeconomic capital [hong guan zi ben zong liang 1347 6034 6327 2609 4920 6852] is adequate and whether the scale of its microeconomic operations is appropriate; second, that of whether its production setup is conducive to economic balance and to upgrading its productive forces; and third, that of whether the distribution of economic benefits is relatively fair and conducive to social stability. Successes and failures in the world tell us that we cannot effectively resolve these questions by completely or mainly relying on the private sector of economy.**

The consequences of the predominance of the private sector of the economy under the condition of economic backwardness usually are inadequate accumulations, uneconomical scales, and an underdeveloped [di du hua 0144 1653 0553] and unbalanced production setup. The reasons are: Under the pressure of a shortage of production capital and the relative advantage enjoyed by developed countries, private enterprises in developing countries normally drift toward areas in which not much unit capital [dan wei zi ben e 0830 0143 6327 2609 7345] is

required, technical standards are low, and quick returns on investments can be reaped. The movement of private capital in this direction makes large accumulations and technical advances something very difficult to achieve. In addition, a very large portion of the returns on private capital will be expended on immovables, excessive activities in the financial and commercial fields, and luxuries. Furthermore, the nature of the property relations and of the modes of operation in the private sector of the economy rules out the possibility of people making conscious efforts to distribute economic benefits in a relatively fair way. Particularly in countries where the per capita GNP is very low; where the unbalanced development of regions, departments, and social strata is a serious problem; and which have large populations and excessive labor forces, privatization may lead to the seriously unfair distribution of interests, thus causing extensive and acute social contradictions. Therefore, the more successful developing countries invariably pay more attention to the necessary socialization and nationalization [min zu hua 3046 2469 0553] measures in choosing economic forms. Socialization means the establishment of a fixed public sector of economy and the concentration of strength for the fulfillment of the important and yet formidable tasks of providing large amounts of long-term investments, which private enterprises can ill afford, making structural advances, and upholding social equity. Nationalization means efforts to strive for a relative healthy state and relatively fair cooperative relations for a national economy in the context of the world economy. However, socialization is of central importance to nationalization. Without the necessary public security of the economy (particularly the state-run sector of the economy), it would be difficult for the national economies of underdeveloped countries to become independent. A private sector of the economy exists, in varying degrees, in all developing countries. However, if these countries do not adopt certain economic socialization and nationalization measures that are compatible with their national conditions, they cannot become modernized.

China is a typical large developing country, whose modernization has just begun. If its state-run enterprises are turned into privately run enterprises and if the property rights in its public sector of the economy are broken down and accorded to individuals, its meager resources cannot be rationally distributed according to the overall interests of the country, the nation, and society, and, macroeconomically, the order in which different regions and departments will be developed cannot be correctly decided. In addition, given an imperfect market, the expansion of the production of consumer goods, and the need to distribute more dividends to individuals, the replacement of public ownership by private ownership will be followed by a degradation of the industrial setup, in other words, by the gradual transformation of many highly sophisticated [gao du hua 7559 1653 0553] industries (enterprises) in the public sector of economy into industries (enterprises) with a low degree of sophistication [di du hua 0144 1653 0553]. Under the condition of

economic backwardness in China, since smallness and a high degree of scatteredness are to be the predominant characteristics of the existence of the private sector of economy, this sector cannot effectively stimulate the development of the basic trades, the basic industries, and hi-tech industry, but will use up a large quantity of badly needed resources which can be used to make the country highly developed. Privatization in China will make it very difficult for people to distribute economic benefits in a relatively fair manner. Given the large size of the country, the unbalanced development, and the highly decentralized economic activities, the country may not have the necessary strength and technical means to promptly and effectively readjust unreasonable interest relations. In particular, given its excessive labor supply and the intense competition for jobs, it will be difficult for the employees of private enterprises to defend their legitimate rights and interests. As a result, serious social problems will arise. The scatteredness, low degree of sophistication, and unfairness resulting from privatization will make the country unable to make progress, as required by its modernization, in terms of economic growth, in economic structure, in the concentration of production, and in terms of the intensiveness of production, to catch up with other countries in world economic development while maintaining its independence, or to uphold social stability and justice.

Practice in the 40 years following the founding of the country and, in particular, the construction and reforms over the past 10 years tell us that the establishment of a planned commodity economy based on public ownership is the road leading to modernization, because public ownership can enable us to concentrate badly needed resources in this economically and culturally backward country and to fulfill the major development tasks, and can make economic development stimulate the formulation of healthy social goals. In addition, only with a planned commodity economy can we eliminate the defects of the operational mechanisms and management practices under traditional public ownership, adapt public ownership to modern economic development, and make it stimulate modern economic development. The appropriate development of the private sector of economy is allowed only if we hold firm to the dominant status of the public ownership and the predominance of large and medium-sized state-run enterprises in the national economy.

**The case for privatization in China is mainly based on the assumption that the private sector of economy is necessary efficient. This is a one-sided and oversimplified judgment.**

1. In certain microeconomic situations, vigorous management efforts, driven by personal benefits, can lead to relatively higher economic efficiency [jing ji xiao lu 4842 3444 2400 3764]. However, the judgments made by individual private enterprises on shortages and the supply-and-demand trends in the market are more often than not short-sighted and flawed. If privatization is practiced in China against the background of resources

shortages, the blind clashes between countless private enterprises and the development of the private sector of economy toward a low degree of sophistication will inevitably make the economic structure irrational and the aggregate economy [jing ji zong liang 4842 3444 4920 6852] unbalanced. As a result, high macroeconomic efficiency will be out of the question. In addition, structural irrationalities and an unbalanced aggregate economy will in turn keep microeconomic efficiency low.

2. The operational mechanisms and interest trends in the private sector of economy do not spontaneously support public needs. If privatization is practiced in China, the development of public departments which are not commercial in nature and which do not have any benefit prospects, such as education, culture, public health, public utilities, public welfare, and environmental protection, will become very retarded and the efficiency and quality of social development will be seriously affected. In a large underdeveloped country with a large population, the necessary development of public departments and aggregate social efficiency mainly depend on support from the public sector of economy and appropriate control of the private sector of the economy.

3. The relatively high microeconomic efficiency in the private sector of the economy over the past 10 years was closely related to some special, exceptional circumstances in addition to the normal circumstances: The overheated development of light industry, the processing industry, and the commercial services provided the private sector of the economy with many opportunities; because of the irrational economic structure and pricing structure, the private sector of the economy concentrated on highly profitable departments (particularly in the circulation domain) enjoying short capital turnover periods; given the relatively preferential and liberal policy regarding the private sector of the economy, its tax burdens and social obligations were inappropriately light and its net profit rates were extremely high; and, given the chaotic economic order and serious corruption, quite a considerable part of the private sector of the economy was beset with the problem of the acquisition of benefits by improper means. Of particular importance is the fact that the temporary lack of efficiency in a considerable area of the public sector of the economy is related not only to the rigid economic management system, but also to the problem, in work guidance, of allowing the private sector of the economy an advantageous position in competition and letting it freely encroach on the necessary public sector of economy in certain fields. These unusual factors are precisely the things to be dealt with in the course of improving the economic environment, rectifying the economic order, and deepening the reforms, but are not grounds for asserting the superiority of the private sector of the economy.

**People advocating the replacement of public ownership by private ownership have put forward a view which calls for efforts to break up the property rights in the public sector**

of the economy and accord them to individual labors, thinking that this, which gives each individual the status of a laborer and that of an owner, can make laborers care much more about property and assets, thus arousing their enthusiasm for work. This is just wishful thinking about modern economies.

1. Generally speaking, since the Industrial Revolution, modern economic assets have been organized in the following two ways: First, the way characteristic of all types of capitalist privatization; and second, the way characteristic of the public sector of the economy. Given the technical and operational characteristics of large industries, neither of the above two ways of organizing assets can bring about a utopia in which every individual is both a laborer and an owner at the same time. This can be realized only in a small-scale peasant economy or in a cottage industry.

2. The small number of shares sold to laborers by the enterprises employing them cannot significantly arouse their concern for enterprise assets or their enthusiasm for work. The reason is that if a laborer is also a shareholder, his hopes for increased personal income will be placed not only on hard work, but also on fluctuations of the stock market and on dividends, an income not derived from labor, and his enthusiasm for work will be affected. On the other hand, scattered small shareholders usually have no say in the enterprises' development principles, and are normally not particularly concerned about the enterprises. In addition, the inadequate macroeconomic development, unfair distribution, and slow social progress resulting from the development of the organization of society's assets toward privatization will make laborers care much less about these assets.

3. Following movements on the stock market and the rise and decline of enterprises, highly scattered shares will eventually be concentrated in a few hands. The egalitarian situation in which each individual is both a laborer and owner simply cannot last long, and developing countries like ours simply cannot withstand the economic fluctuations and the wide gap between the rich and the poor resulting from the process of the concentration of shares.

In a modern economy, the degree to which laborers care about assets mainly depends not on the question of whether each laborer possesses a "property atom," but on whether these laborers can, through socialization and collectivization, increasingly control and supervise the use of the assets of the enterprises employing them and those of society and the distribution of benefits. Well-organized and efficient trade unions, the necessary public ownership, the people's political participation, and so on are collectivization and socialization measures for making the laborers care more about their property and assets. One is just going in the wrong direction if one tries to make laborers care more about property and assets by resorting to privatization.

The internal development conditions in contemporary China and the international environment have rendered privatization both impossible and unnecessary. This is a basic reality. However, within certain limits and to a certain extent China still needs a private sector of the economy. The state is therefore required to properly formulate policies and principles governing the development of the private sector of economy.

1. In China, the areas in which the appropriate development of the private sector of economy is permitted are trades and industries in which supply meets or may even exceed demand, in which easily accessible elements (such as surplus manpower and the idle capital in people's hands) are frequently used, in which scarce resources are rarely required, and in which small-scale technical and business operations are more suitable, such as small business, the minor services, and small industries. The private sector of the economy is not involved in all industries, and there is no need for the fields involving the private sector of the economy to grow in size.

2. State management of the private sector of the economy calls for both post-operational regulation [tiao jie 6148 4634] (which includes industrial and commercial administrative management and taxation) and pre-operational regulation. In addition, it is also required to apply the necessary industrial policy, price policy, financial policy, employment policy, and so on, so that the private sector of economy will properly develop, will be structurally rational, and will operate along the proper tracks.

3. Policies concerning the private sector of economy should all give consideration to the following two basic restrictions: First, the profit rates in the private sector of economy must not be conspicuously higher than the average profit rate in the public sector of economy; and second, the personal income of individual industrial or commercial householders can only be slightly higher than the average income of laborers employed by publicly-owned enterprises doing the same types of business, and the personal income of the owners of private enterprises can only be slightly higher than the maximum income of laborers employed by publicly-owned enterprises doing the same types of business. If the development of the private sector of the economy is allowed to be free from these restriction for a long time, economic development and social development will become unfair and unbalanced.

4. It is necessary to create conditions to enable the public sector of the economy to guide the private economy, to help make its structure as perfect as possible, to stimulate technical advances and modernize management in the private sector, and to guide the development of the private sector of economy onto the tracks of healthy national economic development.



**Need for Subsidy System Reform Stressed**  
*OW1807181789 Beijing XINHUA in English*  
0156 GMT 17 Jul 89

[Text] Beijing, July 17 (XINHUA)—The subsidy system in China should be reformed as subsidy has become more and more a burden to the country's state budget, "CHINA DAILY" reported today.

The total volume of subsidy since 1979 has exceeded 500 billion yuan, according to the newspaper.

In the past few years, subsidy was speeding up accounting for a larger proportion of national revenue and expenditure. In 1988, it accounted for 29 percent of the national revenue and expenditure.

For decades, the Chinese Government has been spending a considerable part of its revenue subsidizing non-profitable enterprises and public services in order to improve daily life.

The first government subsidy in New China was granted in 1953 to aid cotton planting, and it was then extended to crops, cooking oil and food. In 1978, the national subsidy rose to 9.4 billion yuan.

Subsidy was not widely used until after 1979 when the overcentralized economy was transformed into a planned commodity economy.

Subsidy has extended to every aspect of everyday life, ranging from one-child subsidy, schooling subsidy, transportation costs, free medical treatment, books and newspapers to hair-cutting and funeral subsidy. In another word, the government takes care of people from birth to death.

Statistics show that each of the six million urban Beijing residents benefits from various government welfare programs each year to the tune of 530 yuan, almost half of the annual salary of an average employee.

Government subsidy has saved poorly-managed enterprises from bankruptcy.

Yet when subsidy is applied as a cure-all, it strains the government budget which could be used for technical innovation of major industries and high-tech industries.

In 1978, the total expenditure was divided between government spending—comprising salary, administration spending and consumption subsidy—and capital construction, with the latter accounting for 58 percent. In 1987, capital construction accounted for only 20 percent of the total.

Most of the subsidy usually goes on grain. Fearing a price rise in a poor agricultural year, the government spends billions of yuan to ensure supplies. In turn grain is sold cheap and much is wasted. As a result, the inflated consumption funds foster waste and production itself is short of financial support.

Economists warn that if subsidies continue to rise without restraint, the country's economy may suffer a total collapse.

**Surplus Rural Labor To Hamper Modernization**  
*OW2107110689 Beijing XINHUA in English*  
0949 GMT 21 Jul 89

[Text] Beijing, July 21 (XINHUA)—Today's "PEOPLE'S DAILY" published a signed article elaborating on the issue of the migration of surplus rural labor.

According to the article, China's surplus rural laborers amount to 100 million, which, if not properly channeled, will hamper the country's agricultural modernization.

It said in recent years, rural industry has served as a main outlet for the surplus laborers. By the year 1987, 80 million rural people had shifted to rural industries and service trades.

Meanwhile, a few million have come to cities each year to enter the building industry, business and service trades. In addition, a total of one million were enrolled to work in urban factories.

The article said in the near future the only way to "digest the surplus labor force" is to rely on rural efforts, and to control the number of laborers and the speed of their migration.

The article suggests a few approaches to facilitate the migration. The first is to use economic means such as taxation and credit to encourage the production of good-brand products and products in short supply in rural industrial enterprises, and to develop power, transportation and communications and raw materials industries in rural areas.

Second, foreign trade departments concerned should increase investment to develop labor-intensive and foreign-exchange earning enterprises, especially those engaging in the production of traditional Chinese handicrafts, which are able to absorb many laborers.

Third, local governments should organize the labor force migration in a planned way to avoid social problems arising from a blind shift.

From a long-term point of view, the article said, the shift of the surplus rural labor force to cities will gain momentum, and will significantly push forward the national economy and social development.

To facilitate the large-scale migration in the future, China should make great efforts to develop medium-sized and small cities and invest more on education of the rural labor force, said the article.

#### **Farmers Form Associations To Improve Output**

OW1807050389 Beijing XINHUA in English  
0106 GMT 18 Jul 89

[Text] Beijing, July 18 (XINHUA)—Thousands of farmers raising poultry and livestock in northwest China's Qinghai Province have organized themselves into associations to improve their production, "CHINA DAILY" reported today.

Since last September, 10 associations have sprung up in the province in a test of further reforms after adopting a contract system in animal husbandry, the newspaper quoted officials from the Agriculture Bureau of the State Science and Technology Commission as saying.

The province was selected as a trial area for the reforms following an inspection tour made by Commission President Song Jian last summer.

The commission recommended establishing 10 animal husbandry associations.

The implementation of the family contract system has promoted the development of farm production and organizations have been formed to provide technology, funds, and materials.

In many areas, contracts have extended to marketing products as well.

The associations help backward areas make the transition to more modern farming and marketing practices, provincial officials say.

The commission has spent 500,000 yuan and the provincial government 300,000 yuan on the associations, which cover a variety of farming lines including the raising of pigs, cows, sheep, chicken and marten.

Farmers, scientists, technicians, managers and officials are free to join the associations and members are required to purchase shares at a price ranging from 100 to 200 yuan per share.

The associations manage, protect, and look after the interests of its members. They are independent from the government.

The family contract system has raised living standards of rural farmers. But since most operations are small-scale, it has been often difficult for the farmers to acquire new technologies.

Compounding the difficulty, scientists and technicians are not attracted to rural life. To change this, associations provide a cash incentive—if production value increases by 15 percent, the scientist's income will go up 30 percent over his basic salary.

Scientists can bring their research subjects to the associations and the associations also guarantee to provide a place for field study for college students.

### East Region

#### **Chen Guangyi Attends Fujian Foreign Trade Forum** *OW2107021289 Fuzhou FUJIAN RIBAO in Chinese* 19 Jun 89 p-1

[Text] The Fujian Provincial CPC Committee and the Fujian Provincial Government held a forum attended by the responsible persons of some organizations with Fujian investments in Hong Kong and Macao on 16 and 17 June. While studying the documents issued by the central authorities and discussing the various issues, those who attended the forum had further unified their ideas, enhanced their confidence, and put forward measures to do an even better job in developing the enterprises with Fujian investments in Hong Kong and Macao and promoting Fujian's foreign trade in the present situation.

Leading Comrades Chen Guangyi, Wang Zhaoguo, Jia Qinglin, He Shaochuan, You Dexin, Chen Mingyi, and others attended the forum and delivered speeches.

On the 1st day of the forum, the comrades who had just returned from Hong Kong and Macao earnestly studied Comrade Deng Xiaoping's important speeches and watched the videotapes. In this way they had deepened their understanding of what actually had happened during the counterrevolutionary rebellion in Beijing, and had further realized the nature of this upheaval and the protracted and complex nature of the struggle. Although they stayed in Hong Kong and Macao, they pledged to identify themselves with the party Central Committee in the ideological and political fields and in action. On the 2d day of the forum, the participants discussed the situation of the various enterprises with Fujian investments in Hong Kong and Macao. They also put forward measures on how to overcome current difficulties and to further expand their businesses. The provincial leadership listened earnestly to their reports, while also briefing them about the current situation in Fujian. The leaders in Fujian encouraged those attending the forum to do more than their share and to meet some specific requirements.

It was pointed out at the forum that the counterrevolutionary rebellion which took place in Beijing had affected the business operation of those enterprises in Hong Kong and Macao with Chinese investments. However, this situation is only temporary, while our policy to open to the outside world and to promote foreign trade will be carried out on a long-term basis. Some businessmen abroad and merchants in Hong Kong, Macao, and Taiwan are worried somewhat about the situation on the mainland. However, such worries also are temporary and short term, while their cooperation and friendship with us are long term. Many things can be done if we handle the relations between our short- and long-term interests properly and broaden our views. We must face reality at this time and adopt measures to promote our foreign trade further. Our current tasks are as follows:

1. We must organize the personnel of our organizations stationed abroad to study earnestly the important speeches made by Deng Xiaoping and other central leading comrades as well as other important documents so as to unify our ideas and raise our awareness.

2. We must vigorously carry out propaganda and explain developments. First of all, we must point out that China's reform and open policy will remain unchanged. We also must emphasize repeatedly the quite stable situation in Fujian. If our old friends abroad have worries, we may invite them to come to China to see for themselves. We also may send our own comrades out to visit with our old friends abroad, discuss the situation, and help them dispel their worries.

3. We must sum up our experience, define a clear-cut direction for future development, and find a new path to further expand our businesses.

4. We must try our best to overcome difficulties in obtaining increased funds.

5. We must exert even greater efforts in making preparations for the foreign trade fair which will be held in Fujian this September.

#### **Fujian Tourism Business Recovering** *HK2107021289 Beijing CHINA DAILY in English* 21 Jul 89 p 3

[By staff reporter Zhang Ping]

[Text] Fuzhou—The tourism business is recovering in this coastal province of Fujian and local tourism officials said that there is still a possibility of hitting this year's target.

Since mid-July, overseas travellers, most of them from Taiwan, Hong Kong and Macao, have begun to tour the mainland and the average hotel room occupancy rate in the province has risen from less than 30 percent in June to about 60 percent, said Nan Jiang, director of the tourism bureau of Fujian Province.

Nan said that although the situation in Fujian was comparatively stable during the recent unrest, last month alone some 589 overseas tour agencies cancelled their trip plans and the province lost some \$20 million.

"We had to cancel half of the 28 weekly charter flights from Fuzhou or Xiamen to Hong Kong during the difficult period," he said.

"Starting July 15, we decided to add five more weekly charter flights to Hong Kong because the flights had increased to about 85 percent booked."

Early this month, a 32-people television production team from Taiwan entered the province to shoot a TV series, "Story of Mazu Goddess."



"This is the first Taiwan TV production team to shoot a series on the mainland and we hope their success will bring others," he said.

However, many foreigners and people from Taiwan and Hong Kong and Macao are still worried about coming to China.

Most of the tourists here now are individuals instead of members of groups. Overseas travel agencies, especially those in the United States and European countries, still hesitate to arrange travel groups to China.

**Jiangsu's Han Addresses Nonparty Personages**  
*OW2107004189 Nanjing XINHUA RIBAO in Chinese  
4 Jul 89 p 1*

[Excerpts] The Jiangsu Provincial CPC Committee sponsored a forum of nonparty personages on the afternoon of 3 July to inform them about the guidelines laid down at the 4th Plenary Session of the 13th CPC Central Committee.

Chen Huanyou chaired the forum, in which Han Peixin, Deng Hongxin, Sun Jiazheng, and Cao Hongming participated.

After briefing those present on the main guidelines laid down at the 4th Plenary Session of the 13th CPC Central Committee, Comrade Han Peixin said: The 4th Plenary Session of the 13th CPC Central Committee was a meeting of great importance in our party's history. The decisions reached at that session accorded with the aspirations of the party and the people. These decisions not only are playing an important role in further stabilizing the present situation throughout the country, but they also will be of great significance in guiding and ensuring the continuity of the party's line, principles, and policies laid down since the 3d Plenary Session of its 11th Central Committee.

He continued: The guidelines of the plenary session were relayed and studied at the eighth enlarged meeting of the seventh provincial party committee, which ended 2 days ago, as well as at a Standing Committee meeting and an enlarged Standing Committee meeting of the provincial party committee, which were held a little earlier. Those attending these meetings voiced resolute support for the communique adopted at the plenary session. They pledged to act according to the requirements set by the plenary session; to firmly keep implementing the line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee; to firmly keep implementing the basic line of "one center and two basic points" put forward by the 13th CPC Congress; and to effectively carry out the four main tasks set by the 4th Plenary Session of the 13th CPC Central Committee. At the same time, vigorous efforts should be made to carry out all the tasks set by the plenary session and to win fresh victories in reform, opening to the outside world, and socialist modernization. [passage omitted]

Han Peixin pointed out: In the course of checking the turmoil, members of democratic parties and democratic personages without party affiliation understood and supported the work of the provincial party committee. Taking the overall situation into account, they assisted the provincial party committee in carrying out much work, and thus played a positive role in stabilizing the situation in Jiangsu. It will be arduous to carry out the various tasks set by the 4th Plenary Session of the 13th CPC Central Committee. The plenary session called for doing a good job in carrying out the four main tasks, and the eighth enlarged meeting of the seventh provincial party committee discussed arrangements for carrying these out. Proceeding from Jiangsu's reality, we must continue to take resolute measures to thoroughly put down the turmoil and to stabilize Jiangsu to contribute to stabilizing the situation throughout the country. We must unwaveringly implement the basic line of one center and two basic points, continue to improve the economic environment and rectify the economic order, and do a good job in carrying out reforms and opening to the outside world. We must effectively strengthen ideological and political work, punish the corrupt, rectify the party style, and strengthen the spirit of the people across the province. I hope that comrades and friends at the forum will, as always, assist us in performing Jiangsu's work better. [passage omitted]

**Jiangsu Teachers Study, Support Deng Speech**  
*OW2107093289 Nanjing XINHUA RIBAO in Chinese  
24 Jun 89 p 1*

[By Yan Hongzhen (0917 7703 3791) and Yan Zhengming (7346 3630 7686)]

[Text] The provincial Education Commission invited some middle-aged and old college teachers in Nanjing to attend a forum to study Comrade Deng Xiaoping's important speech and discuss ways and means for intensifying ideological and political education among young students.

The forum participants unanimously agreed that Comrade Xiaoping's speech has distinguished right from wrong in regard to ideology and theory, enabled people to unify their understanding, enlightened them with fundamental principles and direction, and broadened their vision and train of thought. Comrade Xiaoping elucidated in his speech the cause of the turmoil from the international and domestic backgrounds, thereby enabling people to recognize that the turmoil would have occurred sooner or later. Second, as far as the nature of this incident is concerned, the speech has helped people clearly identify the essence of the turmoil; that is, the confrontation between bourgeois liberalization and the four cardinal principles is a serious political struggle that does not set the party and the government against the masses (including young students). Third, the speech has pointed out the direction for advancing China's reform and construction and has enhanced the people's confidence.

Many comrades pointed out: Some teachers and students are still unable to untie ideological "knots," and are confused about certain questions. The key to this problem lies in the failure to adopt a correct stand in viewing the questions. Teachers should imbue themselves with reasoning instead of emotion, support the correct policy decision by the party and the state with patriotic fervor, and conscientiously safeguard national stability and unity with concrete actions.

The teachers also said at the meeting: The turmoil and counterrevolutionary rebellion in Beijing have enabled us to review the past and think about the future with sobriety. The tremendous achievements of the decade-long reform are obvious to all, and all sectors of society have been benefited more or less from the reform. This shows that the line, principles, and policies adopted by the 3d Plenary Session of the 11th CPC Central Committee are correct and should be continued. However, errors have also been made during the decade. The gravest error is in the field of education, manifested mainly in the slackening of ideological and political education. We have tasted the bitter fruits of our failure to persist in the building of spiritual civilization. The blunder and its consequences are especially serious in schools of higher learning. Many teachers who have taught Marxist-Leninist theory for a long time said at the meeting: The slackening of ideological and political education in schools of higher learning, focussed on the four cardinal principles, has given a good opportunity for the ideological trend of bourgeois liberalization to confuse and corrode the minds of young people, or even to make them lose their bearings. We have learned a very bitter lesson from the student unrest which developed to turmoil and then counterrevolutionary rebellion, and we should forever bear in mind this lesson.

Comrades attending the meeting expressed the hope that the party and the government will take prompt and effective measures to earnestly sum up the experiences and lessons and to correct mistakes, check inflation, eliminate corruption, and pay close attention to education and the building of spiritual civilization so as to bring about prosperity and a long period of stability and order in China.

Vice Governor Yang Yongyi attended and spoke at the meeting. He emphatically pointed out that the most important thing at schools of higher learning today is to organize cadres, party members, and teachers to diligently study Comrade Deng Xiaoping's speech for achieving unity in thinking and action and to improve the work among students on the basis of the speech. He called on the large number of teachers to include ideological and political education in their teaching and to strive to impart knowledge to students as well as teach them how to conduct themselves.

**Shanghai Mayor Meets Metal Factory Directors**  
*OW2107085389 Shanghai City Service in Mandarin*  
2200 GMT 29 Jun 89

[Text] During a meeting with the directors of some large and medium enterprises of the metallurgical industry at the Shanghai No 5 Steel Mill yesterday, Mayor Zhu Rongji pointed out: It is necessary to resolutely carry out Comrade Xiaoping's recent instructions on strengthening the basic industries and producing more steel. Shanghai's steel output this year must exceed 4.2 million metric tons.

At the meeting, Mayor Zhu Rongji and Vice Mayor Gu Chuanxun listened to the directors' opinions concerning the development of Shanghai's iron and steel industry and discussed with them the measures to develop in depth the campaign to increase production and revenue and to practice economy in spending so as to change the current situation in which both the output and economic returns of the iron and steel industry have been decreasing.

Mayor Zhu Rongji pointed out: The economic prospects this year have been grim. Now the difficulties are even greater. However, what we should see is a promising situation now that the counterrevolutionary rebellion and turmoil have been stopped. Right now, everybody longs for stability and order. All we have to do is accomplish a few things which will win the confidence of the people. We should also insist on relying on the broad working class and sharing woe and weal with them. Then we are sure to overcome all kinds of difficulties and fulfill or overfulfill this year's economic targets.

Mayor Zhu Rongji said: At present, we should earnestly develop the campaign to increase production and revenue and practice economy in spending. We should develop through readjustment. We should ask for management efficiency. We should readjust the product mix and develop high quality, [words indistinct], and technology-intensive industry. We should also resolve to bring the growth of consumption funds under control. We should educate the vast number of staff members and workers so that they understand that an increase in consumption spending, if coupled with the development of production and the improvement of economic returns, can only lead to a rise in commodity prices and eventually compromise the interests of consumers.

Mayor Zhu Rongji also asked for three things to stabilize market and commodity prices: First, he asked that prices for basic industrial products be brought under control. Second, he asked that prices for consumer goods and small commodities be placed under strict supervision to prevent unjustified price hikes. Third, he asked that the solution of "closing down, stoppage, merger, or conversion" be firmly carried out in dealing with enterprises which are losing money.

In conclusion, he asked relevant departments to support the metallurgical industry with electrical power, money, or in other ways, and to help the industry launch its products onto the international market.

**Li Zemin Meets Zhejiang Court Presidents**  
*OW2107010989 Hangzhou ZHEJIANG RIBAO*  
*in Chinese 21 Jun 89 p 1*

[Text] The 21st provincial meeting of court presidents ended in Hangzhou yesterday. The meeting called on people's courts at all levels to use Comrade Deng Xiaoping's important speeches as their guide; to exercise their dictatorial functions well; to deal, according to the law, severe blows at counterrevolutionaries and other criminals engaged in beating, smashing, looting, burning, and killing; to fulfill their duties; and to contribute to stabilizing the general situation in Zhejiang.

Li Zemin, Xia Zhonglie, Yang Bin, Li Debao, Zhang Xueyi, and other leading comrades called on the court presidents attending the meeting.

At the meeting Li Zemin informed the participants about the provincial party committee's and his personal experience in studying Comrade Deng Xiaoping's important speeches. He said that the provincial party committee had studied repeatedly the speech made by Comrade Deng Xiaoping when he received the military officers at and above the Army level of the martial law enforcement units in Beijing. The more they studied the speech, the more they understood its importance. He said they have come to realize that this is a programmatic document of historical significance. The speech summarized the work carried out over the past 10 years and also addressed some major problems confronted by the contemporary international Communist movement and socialist countries. This meeting of court presidents has made the study of the speech by Comrade Deng Xiaoping and the unification of thinking an important item on its agenda. In particular, it is very important to study the speech at a time when the turmoil has not yet completely calmed down.

Li Zemin set some guidelines for the courts in the exercise of their functions. He said that in the struggle to put down the counterrevolutionary rebellion and to end the turmoil, the courts, as law-enforcing organs, must punish crime according to the law. The courts have a solemn duty to punish severely and promptly criminals engaged in beating, smashing, looting, burning, and killing and to punish counterrevolutionaries according to the law. A large number of facts show that there really are counterrevolutionaries. The activities of some illegal organizations in Beijing caused the student strike in Zhejiang to plunge into turmoil. We must dig out the root of the turmoil. We have issued orders to ban the illegal organizations. We must thoroughly investigate behind-the-scenes instigators and manipulators and show them no mercy. This is an important policy decision for thoroughly quelling the counterrevolutionary

rebellion and for preventing and stopping turmoil. It also is an important measure for ensuring long-term stability in the country in general and in Zhejiang and Hangzhou in particular. We must carry out this decision resolutely.

In light of the conditions in Zhejiang, Li Zemin pointed out: In dealing with propaganda aimed at misleading people as well as with incidents such as attacks on railways, the erection of road barricades in downtown areas, the occupation of traffic police boxes, and the incitement of workers to strike at factories, we must investigate thoroughly the instigators, commanders, and those behind the scenes and punish them according to the law, no matter who they are. The provincial party committee respects the law enforcement organs' decisions to handle cases. Law enforcement organs must follow policies, narrow the area of attack, strictly distinguish between the two types of different contradictions, and deal blows at the extremely small handful of people.

Li Zemin also set forth some requirements for conducting education on the legal system.

At the meeting Xia Zhonglie briefed all the participants on the implementation of the public notices of the Ministry of Public Security and the provincial public security department, on the ban of illegal organizations, and on the surrender of leaders of illegal organizations and those who took part in creating unrest in Zhejiang.

Yang Bin and Li Debao also spoke at the meeting.

The meeting also commended advanced court collectives and individuals who distinguished themselves in 1988.

The meeting was presided over by Yuan Fanglie, president of the provincial Higher People's Court. Dong Guang, deputy head of the provincial leading group in charge of law and politics, attended the meeting.

**Zhejiang's Li Urges Study of Deng Speech**  
*OW2007205189 Hangzhou ZHEJIANG RIBAO*  
*in Chinese 18 Jun 89 p 1*

[Excerpts] During the last few days, the Standing Committee of the provincial CPC Committee has been earnestly studying and discussing Comrade Deng Xiaoping's important speech. After the news about Comrade Deng Xiaoping's important speech during his meeting with cadres at Army level and above of the capital martial law enforcement troops was announced on 10 June, the Standing Committee of the provincial CPC Committee immediately carried out study and discussion on 11 June. They convened a conference for cadres of provincial and city organs on 12 June to make arrangements for the study of Comrade Deng Xiaoping's important speech. On 14 June it convened a forum for responsible persons of all democratic parties and relevant mass organizations as well as personages without party affiliation to study Comrade Deng Xiaoping's important speech. On 15 and 16 June, it conducted



further study and discussion on Comrade Deng Xiaoping's speech by uniting it with the actual conditions in Zhejiang and linking it with their members' thinking.

Among those attending the study meeting were Li Zemin, secretary of the provincial CPC Committee; Shen Zulun and Ge Hongsheng, deputy secretaries of the provincial CPC Committee; and Chen Fawen, Luo Dong, Xu Xingguan, Xu Yongqing, Wu Renyuan and Xia Zhonglie, members of the Standing Committee of the provincial CPC committee. Xue Ju and Liu Yifu, respectively chairman and vice chairman of the Advisory Commission of the provincial CPC Committee; Shang Jingcai, chairman of the provincial CPPCC Committee; and Vice Governors Wang Zhonglu, Li Debao and Chai Songyue also took part in the study meeting. [passage omitted]

Li Zemin, secretary of the provincial CPC Committee, pointed out: The study conducted by the Standing Committee of the provincial CPC Committee during the last few days is only preliminary. We must carry out further in-depth study of Comrade Deng Xiaoping's important speech to achieve a profound understanding and to implement its guidelines. He urged: Party organizations at all levels as well as the vast numbers of cadres and people in Zhejiang must earnestly conduct in-depth study of Comrade Deng Xiaoping's important speech. In particular, leading cadres must take the lead in unifying everybody's thinking around the speech.

**Zhejiang CPPCC Committee Session Opens**  
*OW2107052289 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 11 Jul 89*

[From the "Provincial Hookup" program]

[Text] The Eighth Session of the Standing Committee of the Sixth provincial Chinese People's Political Consultative Council Committee [CPPCC] opened in Hangzhou today.

Delivering the opening speech, Shang Jingcai, chairman of the provincial CPPCC Committee, said: The most important tasks confronting the whole party and the people of the whole nation are the study and the implementation of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and the important speech by Comrade Deng Xiaoping. We must unite our thinking around the speech by Deng Xiaoping and the guidelines of the 4th Plenary Session of the 13th CPC Central Committee through study and discussion. The CPPCC is the most broadly based patriotic united front organization. Its political foundation is a deep love for the People's Republic of China, support for the leadership of the CPC, and support for the socialist system. We must make a clear distinction between right and wrong, arrive at a common understanding, and maintain a high level of consistency with the party Central Committee in politics, ideology, and actions. We must take a clear-cut

stand in opposing the turmoil and the counterrevolutionary rebellion, in upholding the four cardinal principles, and in opposing bourgeois liberalization. We must soberly reflect on the past and think about the future to participate better in government and political affairs and to make new contributions to ensure that the basic line and general and specific policies of "one central task and two basic points" laid down at the 3d Plenary Session of the 11th CPC Central Committee are upheld and implemented, that the four modernizations are realized, and that China is rejuvenated.

Xia Zhonglie, member of the Standing Committee of the provincial CPC Committee and director of the provincial Public Security Department, was invited to deliver a report on how the turmoil was suppressed and on how social stability was safeguarded.

(Li Jinsheng), member of the Higher Education Committee of the provincial CPC Committee, was invited to deliver a report on improving the work concerning students and teachers in higher institutions of learning and on stabilizing the overall situation.

Tang Yuanbing, member of the Standing Committee of the CPPCC National Committee and vice chairman of the provincial CPPCC Committee, informed the participants about the guidelines adopted at the Seventh Session of the Standing Committee of the Seventh CPPCC National Committee and which the session will study and discuss in groups.

Today's meeting was presided over by Shang Jingcai, chairman of the provincial CPPCC Committee, and Li Dexin and He Zhibin, vice chairmen of the provincial CPPCC Committee. Also present at the meeting were Zhou Chunhui, Jiang Cisheng, Qiu Qinghua, Zhen Shaowen, Wang Chengxu, Ding Deyun, Li Chaolong and Su Jilan, vice chairmen of the provincial CPPCC Committee; Xue Yanzhuang, secretary general of the provincial CPPCC Committee; (Wu Yaoning), director of the Propaganda Department of the provincial CPC Committee; and Comrades (Mao Qihua) and (Wang Jiayang).

**Luo Dong Meets Zhejiang Students 12 Jul**  
*OW2007205789 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 13 Jul 89*

[Text] Comrade Luo Dong, member of the Standing Committee and head of the Propaganda Department of the provincial party committee, visited the Zhejiang Engineering College and held a discussion with some 30 students of a summer study class on the afternoon of 12 July.

The CYL Committee of the Zhejiang Engineering College organized a summer study class for back-bone students to do better ideological and political work among the students, study the guidelines of the 4th plenary session of the 13th party Central Committee, and unify students' thinking. The class has conducted study sessions, self-examination and discussions, and

arranged some lectures since 7 July. The students briefed Comrade Luo Dong on what they have learned in the class. Comrade Luo Dong praised the students' studies and answered their questions.

He said: Recent students' strikes were used by some people right from the very beginning. The provincial party committee has repeatedly explained this fact to students, but the students have not thoroughly realized it. In fact, the students' wish was good, but it was used by a handful of people and went in the opposite direction.

Comrade Luo Dong urged students to study relevant documents more thoroughly, clear up their ideological misgivings as soon as possible, and identify their thinking with the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and with Comrade Deng Xiaoping's speeches.

### Central-South Region

#### **Hainan CPC Session Discusses Xu Shijie Report** *HK2107024889 Haikou Hainan Provincial Service* *in Mandarin 1000 GMT 20 Jul 89*

[Excerpts] The participants in the third enlarged plenary session of the first provincial party committee have been holding lively discussions since 17 July, centered on Provincial CPC Committee Secretary Xu Shijie's report. They all held that it is all the more important to attach importance to party building in a special economic zone. [passage omitted]

Zheng Zhang, vice chairman of the provincial conference of people's representatives, said that party leadership has been weakened in some places in Hainan. The enterprises only stress the powers of the managers and directors and say nothing about the responsibilities of the party committee secretaries or the workers' congresses. We must thoroughly change this state of affairs through implementing the spirit of this meeting. [passage omitted]

Many participants said that there is serious weakening of party leadership and neglect of party building in Hainan, in the rural areas, the organs, and in the schools, enterprises, and units. This does not match the needs of the economic construction in the large special zone. They seriously analyzed the reasons for these problems and proposed many views and suggestions. [passage omitted]

#### **Hainan Meeting Stresses Party Discipline** *HK2107024289 Haikou Hainan Provincial Service* *in Mandarin 1000 GMT 20 Jul 89*

[Excerpts] The Hainan Provincial Discipline Inspection Commission concluded its third enlarged plenary session today. The session opened on 19 July. Its agenda consisted of studying and implementing the spirit of the 4th Plenary Session of the 13th CPC Central Committee and the Fourth Plenary Session of the Central Discipline

Inspection Commission and further improving party discipline inspection work in Hainan, to ensure the healthy development of construction in the special zone.

Dong Fanyuan, secretary of the commission, delivered a report entitled "Strictly Enforce Party Discipline, Punish Corruption, and Create a Stable Political Environment for the Hainan Special Zone." [passage omitted]

The meeting called on the discipline inspection commissions at all levels to regard study and implementation of the fourth plenary session spirit as a major item of work at present. They should integrate study with investigation and research, wage resolute struggle against all violations of party discipline and phenomena of corruption, and do a good job in building party style and discipline.

The meeting stressed that the party organizations at all levels and the whole body of party members must strictly observe the party's political discipline. They must take a firm and clear-cut stand on the major issue of right and wrong of adhering to the four cardinal principles and opposing bourgeois liberalization, and maintain a high degree of unity with the CPC Central Committee. [passage omitted]

The meeting stressed that it is essential to continue to implement the principle of ruling the party with strictness and seriously investigate and deal with violations of party discipline. At present we must concentrate forces to rapidly investigate and deal with violations of discipline by party members who abandoned their political stand and made serious mistakes during the recent turmoil and rebellion. We must also investigate and deal with serious cases of abuse of powers, graft, corruption, and decadence. The results of the investigations should be made known to the public. [passage omitted]

### Southwest Region

#### **Sichuan Governor Views Forthcoming Tasks** *HK2107005789 Chengdu Sichuan Provincial Service* *in Mandarin 2200 GMT 20 Jul 89*

[Excerpts] The provincial government held its ninth plenary session on 20 July. Governor Zhang Haoruo delivered a speech entitled "Stabilize the Situation in Sichuan, Devote Great Efforts to Improvement and Rectification, and Fulfill All the Tasks for 1989." He summed up work in the 1st half of the year and outlined arrangements for the 2d half.

Governor Zhang said that the momentum of agricultural development in Sichuan in the 1st half of the year was better than last year. Output of the spring-harvested grain was 750 million kg more than last year. Industry grew at an appropriate rate and economic returns improved steadily. Output value for the first half of the year was 32.384 billion yuan, an increase of 8.2 percent over the same period last year. The province thus fulfilled half the year's task in half the year. The swelling investment was

initially curbed, and the investment structure improved somewhat. The markets were basically stable, and price increases slowed. Financial revenue increased and capital supply basically met demand. [passage omitted]

On the tasks for the 2d half of the year. Zhang Haoruo said that it is essential to resolutely implement the spirit of the 4th Plenary Session of the 13th CPC Central Committee, and strive to do a good job in various practical things in line with the demand for grasping four main tasks and in conjunction with Sichuan realities. In agriculture, the overriding task is to do a good job in fighting flood, rapidly replant the crops, and strive to increase late autumn grain production by more than 250 million kg. With the reduction in the area of the main industrial crops, great efforts must be devoted to improving yields. There should be no wavering over the task of increasing grain production this year by 1 to 1.5 billion kg. In industry we must work hard at structural readjustment and improving economic returns. Such returns should be gained from readjusting the structure, reducing production costs, speeding up capital turn-round, easing the capital shortage, and improving product quality.

Governor Xhang said that economic structural reform remains the focal point in urban economic structural reform. The plant manager responsibility system is stipulated by the Enterprise Law and must be effectively implemented.

Another aspect of comprehensively deepening the reforms is to strengthen and improve macroeconomic regulation and control [tiao kong] and strengthen the government's capacity in this respect. We should set up a new order of macroeconomic regulation and control.

Zhang Haoruo called on all departments, while getting a good grasp of current work, to take thought for the future and map out the province's Eighth 5-Year Plan as soon as possible, to facilitate the inclusion of Sichuan's development within the state plans.

The provincial government must carry out the following tasks during the 2d half of the year: Strictly control price increases and strive to ensure that the increases are markedly lower than last year; resolutely reduce investment in fixed assets; do a good job in increasing revenue and economizing expenditure in finances and improve monetary work; resolutely punish corruption; strengthen ideological and political work and do a good job in building spiritual civilization; completely quell the turmoil, stabilize the situation, and do a good job in improving social order.

**Yunnan Marks Underground CPC Anniversary**  
HK2107025789 Kunming Yunnan Provincial Service  
in Mandarin 1200 GMT 20 Jul 89

[Excerpt] The party history compilation commission of the Yunnan Provincial CPC Committee held a gathering in Kunming yesterday to mark the 40th anniversary of

the founding of the Yunnan Column. Cadres and veteran comrades of the Yunnan Column of the Yunnan underground party, veteran comrades of the underground Kunming city party committee, and representatives of cadres and fighters of the column detachments attended the rally.

Provincial party committee Secretary Pu Chaozhu extended a lofty salute to the comrades of the Yunnan Column of the Yunnan underground party and expressed condolences for the revolutionary martyrs who gloriously sacrificed themselves for the cause of liberating the Chinese people.

Pu Chaozhu said that leading central comrades highly evaluated the struggle of the Yunnan Column. On 11 April 1950, Comrade Deng Xiaoping said at the sixth meeting of the Central People's Government: Following the defection of Lu Han to us, the armies of Li Mi and (Yu Cunwan) have revolted after originally being compelled to defect to us also. Our people's Armed Forces in Yunnan, that is the first [word indistinct] of the 2d Field Army together with General Lu Han fought the battle to defend Kunming. Units of the 4th and 2d Field Armies hurried into southern Yunnan from Guangxi. Since there are extensive liberated areas in Yunnan and a long-tested people's army, and there are organized and awakened people in the liberated areas, thanks to their effective assistance and support, the revolt of the bandits Li and Yu was rapidly put down.

However, for a time after the founding of the state, due to the leftist influences and mistakes, the history of struggle of the underground party and the Yunnan Column was distorted, and many comrades were treated unfairly as a result. During the Great Cultural Revolution the Yunnan underground party and the Yunnan Column were listed as a special case for investigation and were called all sorts of slanderous names. Many people were affected. Attacks were also launched on many patriotic advanced figures and representatives of minority nationalities who had originally supported the underground party and the Yunnan Column. This caused unhappy results and had a very bad effect.

After the 3d Plenary Session of the 11th CPC Central Committee, in line with the party's ideological line of seeking truth from facts, and under the concern of leading central comrades, the Yunnan Provincial CPC Committee seriously re-examined the questions left over from history concerning the underground party and the Yunnan Column and reached a truth-seeking conclusion and evaluation. The CPC Central Committee and the provincial party committee hold that the Yunnan underground party was a component part of the CPC and the Yunnan Column was a unit of the People's Liberation Army. [passage omitted]



## North Region

### Reportage on Beijing's Li Ximing's Activities

#### Attends Forum, Marks Anniversary

SK2107050989 Beijing BEIJING RIBAO in Chinese  
3 Jul 89 p 1

[Text] On the afternoon of 1 July, the work committee of the organs directly under the municipal party committee held a forum of party members to mark the 68th anniversary of the founding of the CPC. Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the provincial party committee, attended and addressed the forum. He said: At present, we should conscientiously organize party members and cadres to study the important documents of the 4th plenary session of the 13th party Central Committee and the several important speeches of Comrade Xiaoping, further unify thinking, and enhance understanding. We should summarize experiences and lessons by reviewing the reality in the recent turmoil and counterrevolutionary rebellion. Some cadres whose performance is fairly good in normal times may not necessarily be firm in their stand when faced with complicated struggles. During the study, instead of making statements of our positions in general terms, we should conscientiously summarize the practice in the struggles in the past 2 months and more, and integrate ideology with practice to improve the quality of our rank, and unify the thinking of the entire party in line with the guidelines of the Fourth Plenary Session of the CPC Central Committee.

He stressed: In carrying out socialist modernization, we should adhere to the "one central task and the two basic points." We should never waver in conducting reform and opening up. Our reform and opening up should be carried out by adhering to the four cardinal principles. We should not pay lip service to the four cardinal principles alone, but should make them permeate all our work. The education on adherence to the four cardinal principles is the foundation for us to carry out ideological and political work, and ideological and political education.

Comrade Li Ximing said: A decisive victory has been won in suppressing the counterrevolutionary rebellion, but the struggle is not over yet. Instead of taking their defeat lying down, the enemies will continue their sabotage and subversive activities through various measures. To thoroughly ferret out and resolutely suppress the counterrevolutionary rioters remains to be a very arduous task that brooks no delay. On the one hand, we should successfully fulfill this task and, on the other, strictly distinguish and correctly handle the two different types of contradictions. With facts as the basis and laws as the criteria, we should deal blows concentratively to the extremely small number of chief criminal elements and the die-hard elements who refuse to repent, and help and unite with more people through education.

Comrade Li Ximing concluded: We must strengthen party building, turn party organizations at various levels into the core to unite the masses, and gradually restore the party's fine traditions and work styles. This is very important work for us in the future. Communist Party members should enhance their belief in communism, carry forward the selfless spirit, and further pull ourselves together to successfully carry out the work in various fields so as to make up for the losses incurred during the turmoil and rebellion, and continue to push forward socialist modernization and the cause of reform and opening up.

Guo Fuchang, executive deputy secretary general of the municipal party committee and concurrently secretary of the work committee, read a circular to commend the good persons and good deeds emerging at the organs directly under the municipal party committee during the struggle to oppose the turmoil and suppress the counterrevolutionary rebellion. BEIJING RIBAO, the Beijing Radio and Television Bureau, and the municipal committee of the Communist Youth League introduced their advanced deeds in suppressing the counterrevolutionary rebellion. Attending the forum were Li Qiyang, deputy secretary of the municipal party committee, and Yuan Liben, Standing Committee member and secretary general of the municipal party committee.

#### 3 Jul Meeting on Guidelines

SK2107045189 Beijing BEIJING RIBAO in Chinese  
4 Jul 89 p 1

[Text] On the morning of 3 July, the Beijing municipal CPC Committee invited responsible persons of various democratic parties and relevant mass organizations, persons without party affiliation, and persons from nationalities affairs and religious circles to a forum to relay the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, and inform them of the relevant situations.

Wang Jialiu, deputy secretary of the municipal party committee, presided over the forum. Li Ximing, secretary of the municipal party committee, attended and gave a speech.

Li Ximing said: In the past 2 months or so, an incident in which student unrests developed into a turmoil and then into a counterrevolutionary rebellion occurred in Beijing. During this complicated struggle, many friends and many comrades, taking the same stand as that of the Communist Party and the government, did a great amount of work to stabilize the situation, defend the Constitution and laws, and protect the fundamental interest of the masses. I will take this opportunity to express gratitude to everyone.

Li Ximing said: Convocation of the 4th Plenary Session of the 13th CPC Central Committee has not only played an important role in stabilizing the situation of the entire country, but also will have a far-reaching influence in the

future on the effort to ensure the continuation of the line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee.

Li Ximing informed the participants of the content of the 4th Plenary Session of the 13th CPC Central Committee in five aspects. He said: At present, we should study together the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and the important speeches of Comrade Deng Xiaoping, and successfully unify our thinking and understanding of the issues concerning clarification of the nature of the counterrevolutionary rebellion, resolute implementation of the line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee, adherence to the four cardinal principles, and strengthening of ideological and political work.

Speaking on current tasks, Li Ximing said: We should concentrate efforts on the following six fields of work. First, through study, we should further enhance understanding, unify thinking and, in line with reality, clarify confused and erroneous ideas. Second, we should strictly distinguish the two different types of contradictions, and thoroughly ferret out and resolutely suppress the counterrevolutionary rioters. Third, we should arouse spirit, and exert utmost efforts to make up for the losses caused by the turmoil and rebellion, and fulfill or overfulfill the various tasks for this year. Fourth, we should continue to unfailingly implement the principle of improvement, rectification, and deepening of reform. Fifth, we should step up efforts to maintain honesty in official duty performance, and exert great efforts to penalize corruption, keep party and government organs clean and honest, improve the relationship between the party and the masses, and accomplish a few things that will inspire the party and the people. Sixth, we should strengthen party building and ideological and political work.

Li Ximing concluded: A decisive victory has been won in suppressing the counterrevolutionary rebellion, but the party and the government are still faced with many problems and difficulties. It is hoped that democratic parties, relevant mass organizations, and persons from various circles will help the party and the government; make contributions to thoroughly suppressing the counterrevolutionary rebellion, continuously promoting reform and opening up, and to strengthening democracy and the legal system; and successfully carry out the work of the capital with concerted efforts.

Bai Jiefu, chairman, and Feng Mingwei, Li Bokang and Gan Ying, vice chairmen of the municipal committee of the Chinese People's Political Consultative Conference, attended the forum. Also attending were responsible persons of democratic parties, persons without party affiliation, persons from nationalities affairs and religious circles, and responsible persons of relevant mass organizations, including Tan Yizhi, Pu Jiexiu, Mei

Xiangming, Zhu Chenyu, Zheng Zhengren, Chen Ming-shao, Chen Zhongyi, Shen Yifan, Xia Xiang, Sun Fuling, An Shiwei, Fu Tieshan, Luo Haocai, and Wei Ling.

#### 4 Jul Speech at Congress

SK2107013089 Beijing BEIJING RIBAO in Chinese  
5 Jul 89 p 1

[Text] The Standing Committee of the 9th municipal People's Congress held its 11th meeting on 4 July.

The meeting invited Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the municipal party committee, to give an important speech.

Zhao Pengfei presided over the meeting. He said: This meeting is being held following the decisive victory in suppressing the counterrevolutionary rebellion which occurred in Beijing, and following the successful conclusion of the 4th Plenary Session of the 13th CPC Central Committee. The 4th Plenary Session of the CPC Central Committee has not only played an important role in suppressing the counterrevolutionary rebellion and further stabilizing the situation of the entire country, but will also have a far-reaching influence in the future on ensuring the continuation of the line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee. We should unify our thinking and understanding in line with the important speech of Comrade Deng Xiaoping, and resolutely implement the party's basic line consisting "one central task and two basic points" as defined at its 13th congress.

At present, we should pay attention to carrying out the four important tasks set forth at the fourth plenary session of the party Central Committee. We should profoundly understand the guidelines of the session, and carry them out in our future work in line with the reality of our municipality. This is the central topic of discussion for this meeting, and also the basic principle for our future work.

At the beginning of the meeting, the participants studied the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. Li Guang, vice chairman of the municipal People's Congress Standing Committee, relayed Comrade Deng Xiaoping's important speech, Comrade Li Peng's report, and the speech of Comrade Jiang Zemin given at the conclusion of the fourth plenary session of the party Central Committee.

The participants to the meeting also heard a report on the situation in curbing the turmoil and suppressing the counterrevolutionary rebellion. They will further study and discuss the guidelines of the 4th Plenary Session of the 13th CPC Central Committee in the next 2 days. They will also hear a report of the municipal government on opinions on arrangements for current work, and decide personnel appointments and removals.

Attending were vice chairmen of the municipal People's Congress Standing Committee, including Ma Yaoji, Xia Qinlin, Xing Jun, Tan Yizhi, Tao Dayong, Pu Jiexiu, and Chen Mingshao. Attending as observers were Liu Yunfeng, president of the municipal Higher People's Court, He Fangba, chief procurator of the municipal People's Procuratorate, and responsible comrades of district and county People's Congress Standing Committees.

#### Attends CYL Plenary Session

SK2107013589 Beijing BEIJING RIBAO in Chinese  
8 Jul 89 p 1

[Text] Li Ximing, secretary of the municipal party committee, attended the 11th enlarged plenary session of the 8th Beijing municipal committee of the Communist Youth League [CYL] on the afternoon of 7 July, and gave an important speech. Li Ximing pointed out that the most important task facing CYL organizations at various levels at present is to resolutely carry through to the end the struggle to check the turmoil and suppress the counterrevolutionary rebellion. He called on the vast number of CYL members, especially CYL cadres, to withstand tests, temper themselves, and grow during the complicated political struggle.

Li Ximing fully affirmed the work and contributions performed by the municipal CYL Committee, the CYL organizations at various levels, and the CYL members throughout the municipality in checking the turmoil and suppressing the counterrevolutionary rebellion, and expressed gratitude and regards to them on behalf of the municipal party committee and government. He emphasized: Although a decisive victory has been won in the struggle to suppress the counterrevolutionary rebellion, some counterrevolutionary rioters and criminals with serious offenses have yet to be arrested and brought to justice. If left at large, they are bound to create endless troubles in the future, and there will be no peace for the country and the people. Therefore, we must advance on the crest of the victory, and resolutely carry through to the end and win a complete victory in this struggle.

Li Ximing pointed out: Having gone through the turmoil and rebellion, our party and the people, including youths, are conducting repeated deliberations. What the youths are deliberating is how to be qualified and become backbone personnel for accomplishing the four modernizations and rejuvenating China. As far as young cadres are concerned, they should also deliberate on how to temper themselves and grow in the complicated political struggle, and lead youths to advance along the correct direction.

Li Ximing said: To achieve this, first, young cadres should have a firm and correct political orientation. In the past few years, because bourgeois liberalization went rampant, and because we failed to launch active attack and persistent struggle against bourgeois liberalization, some youths, including some CYL members thought and talked about and had difficulties in judging issues by

the political criterion, and in fostering a firm and correct political orientation. In the minds of some people, the money-worshipping idea of "doing everything for money's sake" occupied a place. They lost faith in communism, changed their understanding of socialism, took no interest in the spirit of collectivism, and attached no importance to principles and to distinguishing right from wrong in the analysis and understanding of persons and things. To foster a firm and correct political orientation, young cadres should first keep the proletarian politics in mind, and foster the proletarian revolutionary outlook of world and outlook of life.

Second, they should have the ability to conduct study in line with reality, and apply what they have studied. They should study hard the Marxism-Leninism-Mao Zedong Thought, and start from and base themselves on its basic theory, stand, and methods when they understand and solve various problems. At present, we should conscientiously study the three important speeches of Comrade Deng Xiaoping, and unify our thinking and understanding in line with the guidelines of Comrade Xiaoping's speeches. We should take the initiative in learning from the masses of workers and peasants, and from the Liberation Army on a long-term basis. The working class and the masses of peasants took a very clear-cut stand in checking the turmoil and suppressing the counterrevolutionary rebellion recently. Didn't they have complaints about the corruption within the party, and the mistakes in our work? Yes, they did. However, they had no intention to do anything against stability and unity, to develop anarchism and "great democracy," and to solve problems by creating disturbances. They made allowances for the difficulties of the party and the state, and hoped that the party will correct its mistakes by itself and lead the masses to advance even further. The People's Liberation Army has made great contributions to this struggle. The masses of its commanders and fighters were, are, and will be the example for us to learn from. We should persist in and advocate the practice that the entire country learns from the Liberation Army, and that the people of the capital should all the more cherish and learn from the Liberation Army. The vast number of CYL members and young cadres should particularly take the lead in this.

Third, they should withstand tests, temper themselves, and grow in the complicated political struggle. They should also learn to observe and analyze problems by taking into consideration the great background in the world as well as the country, and within as well as outside the party. He said: Imperialism and some Western large countries have always carried out "peaceful evolution" of our country, and representative persons advocating "total Westernization" have also actually emerged in our party. This is the lesson given us by this political struggle, and also an alarm to us that will sound for a long time.

Qiang Wei, secretary of the municipal CYL Committee, presided over the session. Li Qiyang, deputy secretary of the municipal party committee attended and gave a



speech. Chen Guangwen, Standing Committee member and organization department director of the municipal party committee, attended.

#### **Inspects Tree-Planting Projects**

SK2107044389 Beijing BEIJING RIBAO in Chinese  
6 Jul 89 p 1

[Excerpts] [Passage omitted] On 5 July, despite the rain, Li Ximing and Chen Xitong inspected the projects to green and beautify roads, plots of trees, parks, and small residential areas in eight suburban districts, and the tree-planting projects around the stadiums and gymnasiums for the Asian Games. At the Huaxiang forest park in Dabaotai of Fengtai District, Li Ximing and Chen Xitong expressed satisfaction with the building of a forest park covering more than 130 hectares in Huaxiang in Fengtai District in merely 2 years' time. When their inspection team came to the Beijing Physical Culture and Sports Institute's gymnasium for the Asian Games, they were attracted by the exuberant green color outside the gymnasium. The gymnasium is surrounded by 15,000 square meters of green land with more than 1,200 newly planted trees and shrubs which was built with the organization of the Haidian District Government. As was learned, all tree-planting projects for the Asian games are being stepped up. [passage omitted]

Li Ximing said in his speech: Beijing has scored great achievements in the work to plant trees and beautify the city over the past few years, and great changes have taken shape in the appearance of the municipality. Progress had been made in this work in terms of speed, planning, designing, and selection, maintenance, and survival of saplings by the municipality as well as districts, counties, towns, and townships. The all-people voluntary tree planting activities, improvement of the urban ecological environment and climate, beautification of the city, and upgrading of the people's level in the spiritual civilization all reflect the superiority of socialism. Li Ximing urged leading persons at various levels and the masses to bring forth new ideas to make the capital greener and more beautiful, and strive to create a beautiful first-rate city.

Joining the inspection were Yuan Liben, Zhang Baifa, Huang Chao, Zhang Peng, Shan Zhaoxiang, Huang Jicheng, and Tie Ying as well as party and government leaders of the eight suburban districts.

#### **Hebei's Xing Praises Advanced Security Workers**

SK2107040189 Shijiazhuang HEBEI RIBAO  
in Chinese 30 Jun 89 pp 1,2

[Excerpts] On the afternoon of 29 June at the assembly hall of the Shijiazhuang City Workers' Cultural Palace, the provincial party committee and the provincial government ceremoniously cosponsored a meeting to commend advanced units and individuals that made outstanding contributions to ending the disturbances and helping Beijing quell the counterrevolutionary rebellion. Among those commended at the meeting were eight

advanced units, including the Shijiazhuang City Public Security Bureau; 400 public security cadres and policemen, including Li Chenglu; and 100 officers and men of the Armed Police Force, including Chen Songting; and 71 cadres of the People's Armed Force, including Yang Lianhai.

Present at the meeting were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial Committee of the Chinese People's Political Consultative Conference, the provincial Discipline Inspection Commission, and the provincial Military District, including Xing Chongzhi, Li Wenshan, Yue Qifeng, Lu Chuanzan, Yang Zejiang, Zhang Chao, Ye Liansong, Qu Weizhen, Bai Shi, Liu Ronghui, Chen Yujie, Li Haifeng, Hong Yi, Song Shuhua, Wang Zuwu, Zhang Runshen, Li Feng, and Xu Chunxing.

Lu Chuanzan presided over the meeting and delivered an opening speech at the meeting. [passage omitted]

Ye Liansong read the decision of the provincial party committee and the provincial government on commending the advanced units and individuals on the public security, Armed Police, and People's Armed Force fronts emerging from the struggle against the disturbances.

On behalf of the provincial party committee and the provincial government, Governor Yue Qifeng made a speech. He said: In the past 2 months, a small group of people plotted, in a premeditated and well-organized manner, antiparty and antisocialism disturbances and the shocking counterrevolutionary rebellion. Agitated by a small group of people, the disturbances took place in varying degrees in several cities of the province. However, the overall situation in the province has been comparatively stable. The province's industrial production in the January-May period of this year showed an increase of 8.7 percent over the corresponding period of last year. Particularly, in May, the province even set a record in terms of its monthly industrial production. The rural areas' "three-summer" work is proceeding smoothly. The total summer grain production is expected to reach a historical peak level.

Besides the efforts made by the vast number of workers, peasants, intellectuals, Communist Party members, and cadres to persistently implement the guidelines of the instructions of the party Central Committee and the State Council, have a clear-cut stand to oppose the antiparty and antisocialism disturbances and the counterrevolutionary rebellion, stand fast at their posts to persist in production, and stabilize the situation as a whole with their concrete deeds under the leadership of the provincial party committee, the provincial government, and the party committees and governments at various levels, an important reason why the province could maintain such a comparatively stable situation was the heavy trust placed upon by the party and the

people, the vast number of public security cadres and policemen, Armed Police Force officers and men, and People's Armed Force cadres that enabled them to persist in the brave and indomitable spirit and the spirit of fearing no sacrifice, work arduously and painstakingly under the extremely difficult and complicated circumstances, exert greatest efforts, make prominent contributions to stabilizing the situation in the province, and play a key role in this regard. Practice has shown that this contingent of ours is good in terms of its political quality and professional work as well as one that the party and the people can totally trust. The advanced collectives and outstanding individuals that were commended today are exemplary representatives from the contingent. [passage omitted]

Yue Qifeng sincerely called upon the comrades that were commended this time to maintain honor, be modest and prudent, guard against arrogance and rashness, vigorously carry forward the five revolutionary spirits advocated by Comrade Xiaoping, and to bring their exemplary vanguard role into full play. Meanwhile, he hoped that increasingly more advanced collectives and individuals will emerge from the public security and Armed Police Forces, and urged them to make greater contributions, make greater achievements, and make new contributions to the people in the future struggle.

Zhou Liqian, director of the provincial Public Security Department, made a speech at the meeting. Yang Ruitang, director of the Shijiazhuang City Public Security Bureau; and Li Xianchun, who is from the fifth detachment of the Hebei Armed Police headquarters, made speeches respectively on behalf of the advanced units and individuals that were commended.

#### **Hebei's Discipline Commission Holds Plenum**

SK2107055789 Shijiazhuang HEBEI RIBAO  
in Chinese 5 Jul 89 p 1

[Excerpt] The second provincial Discipline Inspection Commission held its seventh (enlarged) plenary session on the morning of 4 July.

Present at this session were members of the provincial Discipline Inspection Commission, secretaries or deputy secretaries of various city and prefectural discipline inspection commissions, and secretaries of disciplinary work committees directly under the provincial party committee, totaling 47 persons. Responsible comrades of discipline inspection groups of the organs directly under the provincial party committee attended the session as non-voting delegates.

Through conscientious study, the comrades participating in this session pledged to unify their ideas, understanding, and actions with the demands set by the 7th enlarged plenary session of the 3d provincial party committee; and make great efforts to build party style and discipline

in line with the spirit of the 4th Plenary Session of the 13th CPC Central Committee and the important speech of Comrade Deng Xiaoping.

Bai Shi, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission, made a speech at the session. He said: The 4th Plenary Session of the 13th CPC Central Committee has set forth the tasks of punishing corruption and strengthening party building. The party Central Committee has called on party organizations at all levels to concentratedly grasp party building. This shows that the party Central Committee is much determined to punish corruption, and attaches importance to this work. The provincial party committee has already mapped out overall planning for this work in line with the demand of the party Central Committee. This is precisely the macro-climate at present. Discipline inspection organs like ours must clearly understand the current situation, enhance spirit, and work hard to make due contributions to ensuring the implementation of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee.

Bai Shi stressed: Discipline inspection commissions at all levels must exert sufficient efforts in investigating and dealing with major and appalling cases. At present, the focus should be placed on cases of graft, bribery, illegal buying and selling, profiteering, abuse of power for blackmail, morally degeneration, and abuse of power for personal gain. In the period to come, discipline inspection commissions at all levels should exert much energy in investigating and dealing with some serious, vile, and deeply-affected cases committed by party members. In particular, towards those cases committed by party-member leading cadres at or above the county level, discipline inspection commissions should release some capable cadres and organize them as a strong team, headed by leaders, and then send them to the units where cases have occurred to rapidly crack those cases with the cooperation of the masses to break with obstructions. When investigating and dealing with cases, we should act resolutely and speedily, should stick to principles, and dare to handle hard cases. All cadres, no matter how high their ranks are and how great their contributions are, must be resolutely dealt with without any leniency, hesitation, and delay whenever they violate party discipline. Those cases which have already been verified should be handled openly in order to educate the entire party and inspire people's minds. [passage omitted]

#### **Tianjin's Li Ruihuan Meets Democratic Parties**

SK2107041789 Tianjin TIANJIN RIBAO in Chinese  
3 Jul 89 pp 1,2

[Excerpts] Yesterday, the Tianjin Municipal CPC Committee invited various municipal democratic parties and persons from various circles to a forum to study the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. Li Ruihuan, secretary of the municipal party committee, pointed out: We should adopt a

clear-cut stand to adhere to the four cardinal principles, fully understand the necessity and the pressing need of opposing bourgeois liberalization, use the guidelines of the fourth plenary session to unify our thinking, further strengthen unity, enhance spirit, and grasp well the current four important tasks put forward by the fourth plenary session. Tianjin has great hope of fulfilling these tasks.

The forum was presided over by Tan Shaowen, deputy secretary of the municipal party committee.

At the forum, responsible persons from various municipal democratic parties and the mass organizations concerned, and noted persons from various fronts, including the literary, art, press, publication, theoretical, scientific, technological, cultural, educational, public health, and sports fronts, took the floor one after another. They talked freely about their experience in studying the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. The municipal leaders talked freely with the participants about their ideology and exchanged views with them. An enthusiastic and harmonious atmosphere prevailed throughout the forum.

Yang Jianbai, chairman of the municipal committee of the China Association for Promoting Democracy, said: The fourth plenary session is an important meeting of great practical and historical significance held at the critical moment. A series of important decisions adopted at the plenary session conform with the popular feelings and the will of the people, and reflect the common wishes of the various democratic party members. Kang Tiejun, chairman of the municipal committee of the Chinese Peasants and Workers Democratic Party, reviewed the course on which Tianjin had traveled during the past 2 months and held that the Tianjin Municipal CPC Committee had adopted a firm and clear-cut stand and proper methods to effectively halt the disturbances in Tianjin. [passage omitted]

Li Ruihuan gave a speech at the end of the forum. He said: The great losses caused by the disturbances and the rebellion in Beijing and the big price we paid for them made us clearly recognize the harmfulness and danger of bourgeois liberalization, and understand the necessity and pressing need of opposing bourgeois liberalization. Hence, we must adopt a clear-cut stand to oppose bourgeois liberalization and to strictly and conscientiously adhere to the four cardinal principles. The outbreak of the disturbances also showed that we really had mistakes in our past work. Many people had complaints in various fields. This may make us become clear-headed, unify thinking, help us conscientious ponder problems, realistically overcome shortcomings, improve our work, turn bad things into good ones, and develop reform and opening up in a more steady, better, and quicken manner.

Li Ruihuan said: Tianjin's situation today was hard-won. To further consolidate and develop the excellent situation of Tianjin, we must act in line with the guidelines of the fourth plenary session, actively and carefully

carry out the current tasks in line with Tianjin's reality, win a complete victory in preventing disturbances, and run Tianjin's affairs in a better manner.

Municipal leaders, including Nie Bichu, Liu Jinfeng, Yang Jingheng, Huang Yanzhi, Wang Chenghuai, Shi Jian, Mao Changwu, Qian Qiao, Xiao Yuan, Fang Fang, and Fang Fengyou, attended the forum.

### Northeast Region

**Jilin People's Congress Meeting Opens 18 Jul**  
*SK2107015589 Changchun Jilin Provincial Service in Mandarin 2100 GMT 18 Jul 89*

[Text] The 10th meeting of the 7th provincial People's Congress Standing Committee opened at the Xinhua Guesthouse of Changchun City on the morning of 18 July.

During the meeting, Cui Lin, vice chairman of the provincial People's Congress Standing Committee, delivered a report on relaying the spirit of the Eighth Session of the Seventh National People's Congress [NPC] Standing Committee.

After the first session of the meeting, the participating members held group studies and discussion on the spirit of the 4th Plenary Session of the 13th CPC Central Committee and the 8th Session of the 7th NPC Standing Committee.

Major items on the meeting's agenda include the discussion on the province's revised draft regulations on (?management) over urban enterprises, on the province's draft regulations on management over radio and television broadcast stations, and on the province's draft regulations on management over urban construction and comprehensive development; include the examination and approval on the province's regulations on management over the (?Korean culture) of Yanbian Korean Autonomous Prefecture, on the province's 1988 financial final account, on the 1989 1st-half budget implementation of the provincial People's Government, on the province's implementation of the 1989 plan of the national economy and social development, and on the three reports on consolidating tax revenue order and enhancing tax revenue management; include the discussion on the province's draft regulations on the term-shift election of People's Congress at county and township levels; include the approval of the resolution on studying and implementing the spirit of the 4th Plenary Session of the 13th CPC Central Committee; and also include the approval of personnel changes.

Cheng Shengsan, vice chairman of the provincial People's Congress Standing Committee, presided over the meeting held on the morning of 18 July. Attending the meeting were vice chairmen of the provincial People's Congress Standing Committee, including Renqinzhamusu, Zhu Jinghang, Xu Yuancun, Chen Zhenkang, and



Ke Muyun; Zhang Jiande, secretary general of the provincial People's Congress Standing Committee; and members—a total of 49 persons.

Among those who attended the meeting as observers were Liu Xilin, vice governor of the province; Xie Anshan, president of the provincial Higher People's Court; Li Xiangwu, chief procurator of the provincial People's Procuratorate; responsible personnel from various special committees under the provincial People's Congress; responsible persons from various departments and offices under the provincial People's Congress Standing Committee, the Standing Committee of city and prefectural People's Congresses, the Baicheng prefectural office of the provincial People's Congress, and from the departments concerned of the provincial People's Government.

Among those who were invited to the meeting were three deputies to the NPC and the working personnel concerned from the provincial People's Government, the provincial Trade Union Council, the provincial CYL Committee, and from the mass organizations.

**Jilin Prepares for 'Struggle' Against Corruption**  
*SK2007121289 Changchun Jilin Provincial Service*  
*in Mandarin 0930 GMT 19 Jul 89*

[Text] On the afternoon of 19 July, the provincial party committee and the provincial People's Government sponsored a telephone conference in Changchun to make overall arrangements for deeply launching a struggle against the corrupt throughout the province.

Du Qinglin, deputy secretary of the provincial party committee, presided over the conference and Gao Wen, vice governor of the province, addressed the conference.

It was pointed out at the conference that our province scored certain achievements in strictly dealing with a large number of cases concerning embezzlement and accepting bribes in the former period. By the end of June, more than 700 cases of embezzlement and accepting bribes were placed on file, investigated, and handled. Of these cases, more than 570 concern law violations, and more than 190 concern violation of party and administrative discipline. From these cases, the province suffered more than 2.9 million yuan in economic losses. We must clearly note that dealing blows at economic crimes and particularly launching struggle against the corrupt remain the weak link, and a large number of corrupt problems have not been totally exposed. Some localities, departments, and units still tend to leave such cases to develop or spread, and the criminal activities of embezzlement and accepting bribes are still swollen with arrogance. The harm caused by these cases is quite serious.

Therefore, the general demands adopted at the conference for dealing blows at economic crimes in the future by focusing on launching a struggle against the corrupt are to further enhance leadership over the struggle; to

extensively and deeply arouse the masses; to bring into full play the role of various functional departments; to continue to implement the principle of strictly punishing serious economic criminals in line with the law; and to emphatically deal with appalling and major cases of embezzlement and accepting bribes to promote the program of improving administrative honesty and to ensure smooth progress in improving the environment, rectifying order, and deepening the reform drive in an overall way so as to make new contributions to fulfilling the work targets put forward by the provincial party committee with regard to having the economy develop, deepening the reform drive, stabilizing the social order, and having organs perform their official duties honestly.

It was emphatically pointed out at the conference that dealing blows at crimes of embezzlement and accepting bribes constitutes (? a foundation) in the current work of improving administrative honesty. Party committees and governments at all levels should regard as a big event the work of launching struggle against the corrupt and the (?joint campaign of army men and civilians in building civilized units); while realistically enhancing their leadership over the struggle, extensively and deeply mobilize the masses to expose serious economic crimes of embezzlement and accepting bribes; and by applying various effective forms, should accurately and clearly present before the mass the policy and the law adopted for launching struggle against the corrupt, the determination and methods adopted by the provincial party committee and the provincial People's Government, the situation prevailing in the work, and the demands raised by the masses so as to arouse the masses to actively join in the struggle.

It was also pointed out at the conference that in line with the demand of the central authorities, the emphasis of dealing blows at economic crimes is aimed at dealing blows at crimes of embezzlement and accepting bribes, and that of dealing blows at crimes of embezzlement and accepting bribes is aimed at dealing blows at embezzlement and accepting bribes committed by the work personnel of party and government organs.

It was urged at the conference that departments in charge of enforcing discipline and the law at all levels should strictly enforce the law and discipline, enhance their coordination to bring into play the function as a whole, and unswervingly and deeply carry forward the struggle so as to make new and still greater contributions to fulfilling the tasks set forth by the 4th Plenary Session of the 13th CPC Central Committee.

**Liaoning Circular Supports Army Building**  
*SK2107054789 Shenyang Liaoning Provincial Service*  
*in Mandarin 0930 GMT 20 Jul 89*

[Text] The Liaoning Provincial CPC Committee today issued a circular on further successfully carrying out the work to show concern for and cherish the Army, and to support Army reform and building.

The circular urges all localities to give wide publicity to the new great contributions to defending the party and the Republic made by the People's Liberation Army when checking the turmoil and suppressing the counter-revolutionary rebellion in the capital, and establish a good social practice of respecting and cherishing the Army, and showing concern for and supporting Army building. The circular urges: All departments should actively coordinate with the Army in the work to develop and use personnel competent for both military and civilian services, warmheartedly take care of the families of revolutionary soldiers and martyrs, disabled, demobilized and retired soldiers, and soldiers transferred to civilian jobs, and solve, on a priority basis when conditions are normal, the practical difficulties in the housing

of soldiers' family members not accompanying the soldiers, and in the attendance of kindergartens and schools of the children of soldiers. All localities should also actively assist the Army in the ideological and political work among grass-roots cadres and soldiers, and help and coordinate with the Army to educate the soldiers who are natives of the localities where they are stationed to keep their minds on the Army, and dedicate themselves to improving national defense.

In conclusion, the circular urges all localities to successfully carry out the various work conducive to Army building and reform in line with the requirements of the party Central Committee, the State Council, and the Central Military Commission.

**President Li Supports Mainland Democracy Movement**  
*OW2007165089 Taipei CNA in English 1527 GMT*  
20 Jul 89

[Text] Taipei, July 20 (CNA)—President Li Teng-hui Thursday called on [word indistinct]-loving and justice-respecting countries and peoples to morally and materially support the democracy movement on the Chinese mainland.

The world should also impose effective sanctions against the "brutal" Chinese communist regime for its bloody military crackdown on peaceful pro-democracy demonstrators, the Republic of China [ROC] president said.

"There should be no more illusions about the Chinese communist regime," after the June 4 Tienanmen massacre in which thousands of students and civilians were killed by communist troops, Li told a group of foreign dignitaries in Taipei for the nation's captive nations week activities.

The emergence of the democracy movement led mainly by intellectuals and students was a sign that the 1.1 billion Chinese on the mainland, fed up with the lies and never-ending political struggles of four decades of communist rule, were rising to demand freedom and democracy, President Li pointed out.

"Their motives were justified and their means peaceful," Li stressed.

The Peking regime, however, used assault rifles and tanks to crush the unarmed demonstrators in an unprecedentedly brutal massacre that has shocked the whole world, he added. Moreover, it has launched a large-scale man-hunt and has executed many of the arrested demonstrators in spite of international condemnations.

The inhuman crackdown, which seriously violated human rights, has fully unveiled the vicious and brutal nature of the Chinese communist regime, Li noted. "The ROC Government and people, conscious of their unseparable blood relations with the mainland people, are determined to do their utmost to focus their strength in helping overthrow the Chinese communist tyrannical regime."

The ROC leader also pointed out that the root of Asian, and even world, instability lies in the China mainland's fall to communist rule. "Only when the Chinese communist regime collapses will the time come for human beings to enjoy genuine peace and stability," he said.

Communism will eventually be washed away by waves of freedom and democracy and communist regimes will definitely be overthrown by peoples who can no longer stand being enslaved, the president concluded. Although

a small group of communist hardliners are still making last-ditch efforts to struggle against the democracy movement, "we believe, the trend of history can not be stopped by a few people."

**Open Policy Toward Mainland To Slow**  
*OW2107085589 Taipei Domestic Service in Mandarin*  
2300 GMT 3 Jul 89

[Text] A senior official of Taiwan Interior Ministry said: The Chinese communists' tightening-up policy and arrest of a Taiwan reporter have undoubtedly intensified the relations between the two sides of the Taiwan Strait. Therefore, Taiwan's open policy toward the mainland will slow down.

According to the official, the open policy toward the mainland will remain unchanged, but the mainland task force may slow down its drafting of a proposed law governing the relations between the two sides. As a result, the scheduled pace of opening will be affected.

**Task Force Approves Bill on Mainland Disputes**  
*OW2007215389 Taipei CHINA POST in English*  
15 Jul 89 p 11

[Text] A government task force yesterday approved the first reading of a temporary bill which will serve as a guideline to solving disputes between Taiwan and Mainland China.

The cabinet-level task force on Mainland China affairs, attended by Li Huan, passed the first reading of the "Temporary Rules Governing Relations between People Across the Taiwan Strait."

The rules, drafted by the Justice Ministry on Jan. 1, sets guidelines for settling legal disputes across the Taiwan Strait, including remarriage by mainland immigrants in Taiwan and local investments in mainland China.

The 48 clauses of the temporary rules will require approval by the cabinet before being sent to the Legislative Yuan for final passage.

Highlights of the temporary rules include:

- 1) Taipei will recognize communist Chinese legal documents and court verdicts after they are confirmed as authentic.
- 2) Taipei will consider remarriage by mainland immigrants in Taiwan as legal if the marriage took place before Nov. 1, 1987, when Taipei lifted a 38-year ban on family visits to the mainland.

Mainlanders who remarry after that date may be charged with bigamy.



3) Local businessmen who directly invest in or trade with mainland China face a maximum three years' imprisonment, convertible to an NT\$3 million fine.

4) Financial and insurance companies convicted of the above crimes face a maximum NT\$3 million fine.

5) Taiwan will no longer brand direct trade with the mainland as "financially assisting bandits for seditious purposes," but will continue to ban the activity.

6) Visiting mainlanders who belong to the Chinese communist party (CCP) or other organizations considered seditious will not be punished as long as they inform Taipei authorities before entering here.

7) CCP members may not inherit property from their Taiwan relatives.

8) Mainlanders who overstay their visas while visiting ailing relatives or attending family funerals here will be deported; their Taiwan guarantor will pay for the deportation.

9) Mainlanders who marry or become adopted during visits to Taiwan must leave the island first and apply for reentry.

10) Taiwan will allow mainlanders to invest in local businesses, but will restrict their participation.

The temporary regulations are urgently needed, as the number of legal disputes between local and mainland residents has skyrocketed since Taiwan eased a ban on informal contact with Mainland China.

Up to now, most disputes, such as the May, 3 1986, hijacking of a China Airlines cargo jet to Canton and the recent seizure of Taiwan fishing boats by Mainland China, have been negotiated in Hong Kong.

The new regulations will come as a great relief to tens of thousands of mainlanders who have remarried since coming to Taiwan in 1949.

More than 2 million people, including 700,000 soldiers, followed the government to Taiwan in 1949 after the communists usurped power on the mainland.

Some scholars have suggested that Taiwan set up an official agency on the mainland or request international agencies there to protect the rights and interests of Taiwan residents.

Officials said the temporary rules are subject to change according to developments across the strait.

**Indonesian Information Minister Begins Visit**  
*OW2007192089 Taipei CNA in English 1615 GMT*  
20 Jul 89

[Text] Taipei, July 20 (CNA)—Indonesian Minister of Information H. Harmoko and his wife flew into Taipei Thursday for a five-day visit.

During his stay here, the Indonesian minister will be received by President Li Teng-hui and call on various government leaders. Minister Harmoko will also visit many economic and industrial institutions and the mass media in the Republic of China [ROC].

The journalist-turned minister will also meet with local experts on Chinese mainland affairs to familiarize himself with developments on the mainland resulting from the Peking regime's Tiananmen Square massacre on June 4.

Shaw Yu-ming, director-general of the Government Information Office, greeting Minister Harmoko upon his arrival at the airport, said that although the ROC and Indonesia do not maintain diplomatic relations, the two nations cordially maintain substantive economic, cultural and press relations.

**Diplomatic Ties Established With Grenada**  
*OW2007162789 Taipei CNA in English 1450 GMT*  
20 July 89

[Text] Taipei, July 20 (CNA)—Acting Foreign Minister Charles Shu-chi King announced Thursday that the Republic of China [ROC] has established full diplomatic relations with the Caribbean nation of Grenada in order to promote bilateral cooperation.

The two governments announced the decision simultaneously at 9 a.m. July 20 in Taipei and Grenada's capital St. George's.

King, acting for Lien Chan who is currently in Europe, said the ROC Government would soon establish an embassy in St. George's to facilitate the development of commercial and cultural exchanges between the two countries.

The acting minister also told a news conference that the ROC is China's only legitimate government and the Chinese communists are a rebellious group. "As we recognize neither Peking's diplomatic ties nor its agreements with any other country in the world," King stressed, "There is no such problem as 'dual recognition' for us."

Grenada recognized the Peking regime in 1974 and established diplomatic ties with it in 1985. But Peking has not maintained an "embassy" in Grenada.

King said Grenada had reviewed its China policy after the recent Tienanmen bloodbath in Peking. After careful study, Grenada decided to establish diplomatic ties with the Republic of China on Taiwan because the ROC Government upholds democracy, freedom and human rights.

King pointed out Premier Li Huan and his predecessor Yu Kuo-hwa have reiterated time and again that the ROC should seek diplomatic breakthroughs and strengthen substantive relations with those countries with which the ROC does not maintain official ties. The establishment of diplomatic relations with Grenada is part of ROC efforts to expand its diplomatic horizon, he noted.

Grenada, an island country located in the Caribbean sea north of South America, covers a land area of 344 square kilometers. It has a population of more than 110,000 people. A former British colony, Grenada became an independent country in 1974. It is a member of the seven-country Organization of East Caribbean States and of the 13-nation Caribbean Community.

**Leaders Address Third World Debt Problem**  
*OW2007172689 Taipei CNA in English*  
1538 GMT 20 Jul 89

[Text] Taipei, July 20 (CNA)—Government leaders Thursday expressed interest in helping solve the Third World's debt problem but were reserved as to how.

Fredrick Chien, chairman of the Economic Planning and Development Council, responding to U.S. Secretary of Treasury Nicholas Brady's call for the ROC [Republic of China] to do its part in this matter, said "it will not be easy."

Chien told reporters that it was "not [words indistinct] for Brady to have openly urged the ROC to help reduce Third World debts, "if the U.S is sincere it should have asked for help through proper channels," the former diplomat said.

Brady had suggested that the ROC was capable of helping solve the huge foreign debts troubling Third World countries.

The U.S. Treasury secretary reportedly wrote an article published in the NEW YORK TIMES Wednesday [words indistinct] the ROC Government to help solve the problem.

Vincent Siew, [word indistinct], said that the "Taiwan experience" will be far more effective than merely providing actual aid to poorer developing countries.

Siew agreed that "this was the time for the ROC to make a contribution to the international community [word indistinct] technical [word indistinct] and direct investment might be more relevant.

He suggested that local businessmen survey Third World countries and establish export [word indistinct] zones in potential countries, which could, within a few years enhance their debt, [word indistinct] capabilities. And he noted that many debtor countries are short of human resources. "If we provide financial aid to them without careful consideration of [word indistinct] will we face our own people?" he asked.

He emphasized that the ROC's development experience would be valuable for debtor countries.

Vice Economics Minister Wang Chien-shien said the ROC has already set up an international economic cooperation development fund to help friendly countries promote their economies.

Wang said the 30 billion new Taiwan dollar-fund had smoothly begun operations. "Many loans are being actively negotiated," he added.

## Hong Kong

### Reportage on Basic Law Negotiations

#### Consultations Resumed

OW2107030689 Beijing XINHUA in English  
0100 GMT 21 Jul 89

[Text] Hong Kong, July 21 (XINHUA)—It was decided comprehensive consultations on the basic law (draft) of the Hong Kong special administrative region of China would resume as from Thursday.

The decision was made at the 27th meeting of the Executive Committee of the Consultative Committee for the Basic Law (CCBL) held here Thursday afternoon.

The meeting was chaired by Dr. T.K. Ann, chairman of the CCBL.

During the meeting the Executive Committee of the CCBL discussed the present situation in Hong Kong. Noting that the Hong Kong public had begun to show concern again for the drafting of the basic law and in consideration of the importance of the basic law to the future development of Hong Kong, the committee decided to resume comprehensive consultation on the draft basic law beginning from yesterday.

According to the notification from the drafting committee for the basic law, the consultation period for the basic law (draft) which was due to end on June 30 has been extended to October 31 this year.

Consultations on the basic law were suspended on June 7 in the wake of the events in Beijing.

#### Vice Chairman Lo Issues Warnings

HK2107042789 Hong Kong HONGKONG STANDARD  
in English 21 Jul 89 p 5

[Text] Hong Kong should not rush headlong into democracy because this would be neither desirable nor acceptable to China, according to a vice-chairman of the Basic Law Consultative Committee (BLCC).

Mr Lo Tak-shing warned that it could lead to confrontation with Beijing.

Mr Lo is also chairman of the New Hong Kong Alliance. He was speaking after a BLCC meeting.

He said China would consider it a mistake if Hong Kong was to speed up political development to appease its people.

Mr Lo said the events which occurred in Beijing last month should not form the basis for people to reconsider their previous proposals for Hong Kong's political blueprint.

He said the June 4 incident had prompted him to object to any move to speed up political reform.

"People were so emotionally charged in the rallies and the demonstrations that any dissenting opinions would certainly have resulted in collective defiance.

"Representative government built on such a basis will easily tend to be radical and is likely to challenge the Chinese authorities.

"Such a representative government is likely to make politicians lead people along radical lines.

"I can't see why the Chinese government would agree to that," Mr Lo said.

He disagreed with many people, including Government officials, who felt that speeding up the pace of democracy would be justified on the grounds the people had shown their enthusiasm for politics through peaceful protest.

Commenting on Omelco's [Office of the Members of the Executive and Legislative Councils] present consensus, Mr Li said: "I wouldn't be at least surprised if China won't accept it.

"But I do not have a concrete political blueprint in mind,"

He said the demonstrations that were held during May and June could be regarded as "chaotic" in China's eyes.

They could also have frightened businessmen who felt the prosperity and stability of the territory was being undermined, he said.

He also criticised proposals, such as the purchase of an island on which to reconstruct Hong Kong and extending Britain's lease on the territory. He called them "wild ideas" which could only do harm.

Mr Lo said China would be unlikely to concede more freedom and autonomy to the Hong Kong Special Administrative Region after 1997.

He said the people of Hong Kong should also forget about objecting to the idea of Chinese troops being stationed here.

This was because the suggestion was unrealistic, he said.

"The sovereign power ought to have the right and, indeed, the obligation to station troops in Hong Kong," he said.

Mr Lo also warned against moves to convert Hong Kong into a counter-revolutionary base aimed at toppling the Chinese government.



"Surely China cannot tolerate Hong Kong being converted into a counter-revolutionary base.

"No matter how prosperous the territory can be, it is reasonable for any government to crack down on any intention to overthrow the ruling regime," he said.

Mr Lo criticised overseas dissident groups led by intellectual, Yan Jiaqi, and student leader, Wuer Kaixi, for suggesting economic sanctions against China. He said it undermined the well-being of both China and Hong Kong.

#### **Fifth Member Resigns**

HK2007025589 Hong Kong SOUTH CHINA  
MORNING POST in English 20 Jul 89 pp 1, 5

[By Chris Yeung]

[Text] A civil service union leader, Mr Kwok Yuen-hon has become the fifth member to resign from the Basic Law Consultative Committee (BLCC) in protest against the June 4 Tiananmen Square massacre.

He offered his resignation after seeking an endorsement from the 40,000-strong Hong Kong Chinese Civil Servants' Association, of which he is the president.

Mr Kwok said yesterday: "The association will continue to take part in the consultation of the Basic Law draft. But I will not participate in the work of the BLCC."

"My resignation is a follow-up of what the association has said after the imposition of martial law in Beijing.

"We've said I would resign from the BLCC if the student unrest was not settled in a reasonable way. This was before June 4.

"We hope my resignation will not affect public sentiments. We don't want the resignation to be given too much publicity," Mr Kwok said.

The prominent civil service unionist became the fifth among the consultative body to quit since May as a protest against Beijing's handling of the student-led democratic movement.

The other four are Ming Pao Group chairman Louis Cha; Anglican Bishop of Hong Kong and Macao, the Reverend Kong Kwong-kit; Professor Yeung Yue-man, Registrar of the Chinese University and Mr Jacob Tse Wai-chee, managing director of the Union Bank of Hong Kong.

A vice-chairman of the BLCC, Mr Lee Kai-ming, said the executive committee would meet today on whether to ask those who have resigned to change their mind or to seek replacements.

The executive body chaired by Mr Ann Tse-kai would also discuss the next consultative plan following the decision of the Chinese National People's Congress standing committee to extend the consultation period until the end of October.

Mr Ann and vice-chairman Lo Tak-shing are also expected to brief colleagues on details of talks with leading drafters including chairman Ji Pengfei during a visit last week.

Originally due to finish at the end of this month, the consultation exercise has been suspended for more than two months because of the political unrest in China.

Mr Lee said he has abandoned his earlier plan to suspend his work in the consultative body because of the Tiananmen Square suppression.

He said: "Most of the workers have pinned their last hope on the Basic Law. Unlike professionals or businessmen who can pack and go, they are unable to rebuild a new life in overseas countries."

"We believe that a Basic Law is better than no Basic Law. A good Basic Law is what we want most," Mr Lee said.

He said the Joint Conference of Labour Groups on the Basic Law would meet soon and map out a detailed plan on how to play a more active role in the drafting of the mini-constitution.

#### **Editorial on Committee Resignations**

HK2107043989 Hong Kong HONGKONG STANDARD  
in English 21 Jul 89 p 10

[Editorial: "Not the Right Time To Quit Law Body"]

[Text] Whilst we respect the right of members of the Basic Law Consultative Committee (BLCC) to resign if they wish to do so, we wonder if their actions will have a positive effect for Hong Kong at the end of the day. A civil service union leader, Mr Kwok Yuen-hon, has now become the fifth member to resign from the BLCC as a protest over the Beijing Government's handling of the Tiananmen Square demonstrations and the massacre of students and workers on June 4.

Ming Pao Group chairman Louis Cha; Anglican Bishop of Hong Kong and Macao, the Right Reverend Peter K K Kwong; Professor Yeung Yue-man, Registrar of the Chinese University, and Mr Jacob Tse Wai-chee, managing director of the Union Bank of Hong Kong, had resigned earlier stating similar reasons for their actions.

Their brave stand on the issue is to be admired. They are strong-willed people of principle and have been committed enough to express their views and, perhaps, to add

their names to the big black book that may be put together by those in Beijing who may wish to get even when the day comes when it is appropriate to do so.

However, it must be said that over the next eight years it is essential that Hong Kong participates in an ongoing dialogue with the People's Republic of China and the Government of the United Kingdom in an effort to secure as many freedoms and advantages for the Hong Kong residents who have no choice but to continue to live here.

It is futile to believe that refusing to participate in ongoing talks or ignoring China and the inevitability of the handover will have any beneficial effect for Hong Kong in the future. For it is only by continuing persistence and force of logic and reason that we may hope to achieve some of our goals.

Some will be of the opinion that reasonable negotiation with the government that is in power in China at the moment is impossible as, because of their performance, we are obviously not dealing with reasonable people.

However, it is equally important to remember that the paramount Chinese leader, Deng Xiaoping, Premier Li Peng and the generals who prop them up in the People's Liberation Army are old men and will not be around forever.

It is quite likely that many of them will not live to see the handover in 1997. The deaths of some of these key players could change the course of the government in Beijing, and, with a little luck, we may see the reemergence of leaders of the character and persuasion of China's sacked Communist Party chief, Zhao Ziyang, who will once again grasp the opportunity to loosen the shackles on their people.

China needs, and will continue to need, outside investment and injection of technology and industrial reform measures if it hopes to look after its ever-growing population with even the minimum of human requirements in terms of food, clothing and shelter.

So it would appear that in the longer term it would be far wiser to continue to talk with those who run China today—and those who may run China tomorrow—in the hope that circumstances will change enough to open the door once again to the democratic influences which exist within the country.

This newspaper has expressed already its extreme disapproval at the killings which have taken place in China and which continue to take place.

It is difficult to find an excuse for the actions of the Chinese Government, except to say that it would be very hard to imagine any country which would be prepared to tolerate a persistent demonstration in a major capital city in which one million or more people are participating.

So talk we must, and participate we must, in the Basic Law Consultative Committee. We must also take any other opportunity that is available to persuade the authorities in China that a measure of freedom for all is absolutely crucial if it hopes to drag itself out of the stagnation that has existed there since the Communist Party took power in 1949.

### **Liberals Provide 'More Progressive' Model**

HK2107043189 Hong Kong SOUTH CHINA  
MORNING POST in English 21 Jul 89 p 2

[By Andy Ho]

[Text] The flagship of the liberal activists has come up with a more progressive model for developing Hong Kong political institutions in the run-up to 1997 in response to the recent events in China.

The Joint Committee on the Promotion of Democratic Government's latest political blueprint is similar to that suggested by the House of Commons' Foreign Affairs Committee in its report on Hong Kong.

The liberal leaders want half of the Legislative Councilors to be directly elected in the 1991 polls as a preparation for full universal suffrage by 1995.

They further demand that the entire law-making body be filled by direct elections two years before the 1997 change-over to ensure that the legislature under the future Hong Kong Special Administrative Region (SAR) is representative of the people.

The legislators elected in 1995 are expected to be allowed to remain in office after the change of sovereignty under a so-called Lo Wu solution agreed by the British and Chinese authorities.

The liberal activists originally only demanded that at least half of the seats in the legislature be reserved for direct elections before 1997.

Regarding the selection of the first SAR chief executive, the group has stood by its original proposal that he or she should be returned by direct elections before 1997.

The group had retained its original proposal, dubbed the Group of 190 model, during the public debate on the Basic Law draft over the past two years.

While the conservative business and professional lobby had agreed to modify their proposals, the Group of 190 activists had adhered to their plan until last night.

Mr Yeung Sum, convenor of the joint committee, said they would take the initiative in lobbying business circles for support.

The group will announce details of its future course of action at a press conference today.

### **Vietnamese Repatriation Negotiations Continue**

#### **Agreement Near on Forced Return**

HK2007025789 Hong Kong SOUTH CHINA  
MORNING POST in English 20 Jul 89 pp 1, 2

[By chief reporter Simon Macklin]

[Text] The mandatory repatriation of a group of 22 Vietnamese boat people on board a Dragonair chartered flight, accompanied by Hong Kong police, could take place within the next few days, if Vietnam signs an understanding already broadly agreed with Britain.

It is hoped the agreement would lead to regular mandatory repatriation operations of all those Vietnamese boat people who are not designated as refugees.

It was intended that the first group would be returned without any publicity to avoid press pictures of people being unwillingly bundled on to planes taking them back to Vietnam.

One Government source said the repatriation exercise would begin "as soon as the ink hits the paper".

A four-member Vietnamese Government delegation, led by Foreign Office official Dang Van Anh, arrived in Hong Kong last night to issue travel documents to a separate group of some 300 Vietnamese boat people who have volunteered to return home.

It is understood the team has no plan to visit the group of 22 who are being prepared for mandatory return but might ask Hong Kong officials for access.

The volunteers will be flown back to Vietnam on August 17 and are the largest group ever to come forward to ask for a return to Vietnam but represent a fraction of the total of 36,064 boat people who are in the territory.

But it is understood the Vietnamese have agreed on the "broad principles" of an agreement for the mandatory repatriation of boat people but negotiations are still continuing on the fine detail.

The details of how much cash should be paid as "reintegration assistance" for each person deported to Vietnam have still to be agreed.

Other issues regarding quite what process the boat people have to go through before they are returned as illegal immigrants must also be agreed by both sides.

It had been hoped an agreement would be signed this week but the Vietnamese officials had begun dragging their feet over the last few weeks when they were examining the details of the agreement.

It is hoped the Vietnamese will sign the agreement before the meeting of a steering group in Bangkok on Monday next week established by the United Nations High Commissioner for Refugees to consider the possibilities for repatriation.

But it is understood discussions between officials from the British Embassy in Hanoi and the Vietnamese Foreign Office are continuing and an agreement could be signed any time in the next few days.

Foreign Office officials say the agreement might contain no mention of the term "mandatory repatriation", and Hong Kong officials will have to undertake to counsel the boat people that they stood no chance of resettlement in order to persuade as many as possible to volunteer to go home.

The first group who will be mandatorily returned have been moved to the Phoenix House half-way house, near Lion Rock, for newly discharged prisoners.

The 22 boat people, who have been determined not to be refugees after screening by Immigration Department officials, have all had appeals against their determination rejected.

Hong Kong officials say they expect to be able to repatriate this group within 24 hours of an agreement being signed with the Hanoi administration.

The deportees will be taken to Kai Tak and flown back to Hanoi on a Dragonair 737 with capacity for 126 passengers specially chartered for the flight.

The airline has told the Government it will provide an aircraft at short notice and if necessary cancel a scheduled flight in order to fulfill the charter.

It is understood Immigration Department officials and police will accompany the boat people on the flight back to Hanoi.

Hong Kong immigration officials will assist their Vietnamese counterparts to process the deportees on their arrival in Hanoi and hand over the necessary identity papers.

The police will go on the trip in order to ensure security during the three hour flight accompanied by a Government interpreter.

Information on the plans are deliberately being kept secret and some of those who will take part in the operation have not been told what part they will play.



Hong Kong and British officials are anxious news of the impending return might provoke a disturbance among other boat people in detention centres who are awaiting screening.

Strong protests by foreign governments opposed to the plan, particularly the U.S. Government, are also anticipated by the British and Hong Kong governments.

Officials are concerned the Vietnamese might back down from an agreement in the face of international protests.

Hong Kong officials are angry details of the impending agreement have leaked out in the British press, and Government spokesmen refused to give any details of what progress had been made or comment on stories in British newspapers outlining the agreement.

"The Foreign Office appears to be leaking like a sieve," one official said.

"Some progress has been made in discussions with the Vietnamese but negotiations are still continuing," the spokesman said.

#### UNHCR Lends Support

HK2107032989 Hong Kong HONGKONG STANDARD  
in English 21 Jul 89 p 1

[By Paul Harrington]

[Text] Up to 200 Vietnamese boat people with non-refugees status will become the first group to be forcibly repatriated under a deal being struck between Britain and Vietnam.

Both Hong Kong and British officials hope their mandatory return will send a clear message to the people in Vietnam.

The deal has been made in principle and final details will be concluded soon.

In order for the whole exercise to be carried out smoothly, THE HONGKONG STANDARD has learned that the press are to be barred from covering the departure of the first group against their will.

A Foreign Office source in London said yesterday that an announcement could be made "within days".

He said British Foreign Secretary, Sir Geoffrey Howe, would consider making a statement after a meeting on the boat people issue in Bangkok on Monday.

In a surprise move yesterday, the path to the introduction of mandatory repatriation was smoothed by the United Nations High Commissioner on Refugees [UNHCR].

UNHCR regional head Mr Sergio Vieira de Mello said the agency would consider monitoring and assisting the exercise.

Mr Vieira de Mello said he would discuss the deal today with the Governor, Sir David Wilson, and Chief Secretary Sir David Ford.

The UNHCR had previously sided with the United States in opposing forced repatriation.

Its apparent change of heart will help quell strong international opposition to the controversial move and lend it much needed legitimacy.

While the Foreign Office maintained an official silence on the deal yesterday, officials privately conceded the move was imminent.

They said the deal would stop short of using physical force to put people on to the planes to Hanoi.

Only those who don't violently protest will be flown back.

"People are not going to be put on planes kicking and screaming," one Foreign Office official said.

However, every effort would be made to convince these "economic migrants" to return.

The names of some candidates for enforced repatriation have already been handed to the Vietnamese authorities.

A British newspaper, THE GUARDIAN, has speculated the deal with Hanoi might not be announced until the first planeload has left Hong Kong to avoid protest action.

International outcry against the move is expected, but Britain is prepared to weather the storm.

Hanoi had previously staunchly opposed the forced return of any boat people that had fled its communist regime.

But their stance softened after a June meeting in Geneva between the Foreign Minister, Mr Nguyen Co Thach, and his British counterpart, Sir Geoffrey.

Britain is understood to have offered an attractive financial package to the Vietnamese should they accept forced repatriation

Hanoi would be paid upwards of \$7,800 for each returnee and a foreign aid deal would be negotiated after Vietnamese troops were withdrawn from Cambodia, a move scheduled for September 30.

There are 145 asylum-seekers in Hong Kong who have had their final appeal for refugee status turned down and the number is increasing with the new appeal system expected to go into full swing shortly.

These would be the first to go once the agreement is announced.

Mr Francis Blackwell, who heads the Refugee Status Review Boards, said yesterday his panels were working long hours.

All four panels will be operating by next week.

Mr Blackwell expects the screening backlog of 1,500 cases to be eliminated before the end of August.

Latest figures show that only nine out of 128 people whose cases have been reviewed under the new scheme were given refugee status.

Twenty six boat people had their appeals turned down by the Executive Council before the new system came into force.

#### **Detention Situation 'Deteriorating'**

HK2107032789 Hong Kong SOUTH CHINA  
MORNING POST in English 21 Jul 89 p 3

[By Fiona MacMahon]

[Text] Tension was rising among Vietnamese boat people being held in detention centres across Hong Kong following reports that an agreement might soon be reached for the mandatory return of those who do not qualify for refugee status, relief workers said yesterday.

Education co-ordinator for International Social Services, Mr Adrie Van Gelderen, said the situation in the camps was "deteriorating very fast".

Rumours were circulating among the boat people about the possibility of imminent repatriation, fuelled by reports that a Vietnamese Government delegation had arrived in the territory.

If the Government did manage to deport one group of Vietnamese, they might find those remaining in Hong Kong become unmanageable, he said.

"If they put people away under force it will be worse, you can get away with sending out one bunch with no one knowing about it, but thereafter no one will trust anyone," he said.

Word had spread among the different detention centres and refugee camps that 22 boat people had been isolated at Phoenix House and were being prepared to be deported as soon as an agreement was signed with the Vietnamese.

Mr Van Gelderen said tension in the camps had been building up ever since this group of boat people, whose appeals against being classified as non-refugees were rejected, had been sent to Phoenix House.

The Government was taking a risk in planning to hurriedly deport a group of boat people as soon as the agreement was signed in a move which was bound to invite international criticism, Mr Van Gelderen said.

It appeared the Government was not aware of the strength of feeling against forced repatriation, he said.

It would be better if the Government allowed those who had been screened out ample time to consider the options available to them and provided them with the opportunity to come forward and volunteer for repatriation, he said.

Other aid workers echoed the concerns about rising tension in the camps and detention centres.

The relief workers said the situation was particularly fraught at the moment as all the detention centres have been crammed to the seams in order to hold 11,000 boat people removed from vulnerable sites in the approach of Typhoon Gordon earlier this week.

The arrival on Wednesday of four Vietnamese Foreign Ministry officials had also provoked tension among many of the Vietnamese refugees and boat people now in Hong Kong.

The officials are visiting Hong Kong in order to issue travel documents to a group of about 300 boat people who have volunteered to return to Vietnam.

The Vietnamese officials spent yesterday interviewing some of the volunteers being held in a detention centre at Lowu.

They are the largest group to be interviewed by Vietnamese officials. So far only 143 have returned to Hanoi.

Phoenix House took on its new role as a detention centre when 22 Vietnamese boat people were moved there last Friday.

One of three half-way houses operated by the CSD [Correctional Services Department], the four-storey purpose built centre is situated near the Lion Rock Tunnel in Kowloon.

The house itself has classrooms, dormitory type accommodation and leisure facilities.

**Trial Likely for Hong Kong Student**

HK2007025389 Hong Kong SOUTH CHINA  
MORNING POST in English 20 Jul 89 p 11

[By David Chen]

[Text] Yao Yongzhan, the Shanghai Fudan University student who took an active part in the pro-democracy movement of May and June, will most likely face public trial on "counter-revolutionary" charges, reliable sources said yesterday.

Repeated attempts by his father, Mr Yao Wentian, who is now a senior worker at a Tsuen Wan factory, to reach Shanghai's Public Security Bureau to seek information about his son have failed. He said also written to the chairman of the National People's Congress, Mr Wan Li, and the mayor of Shanghai, Mr Zhu Rongji, to no avail.

Yao's mother left for Shanghai in the middle of June but failed to see her son.

Sources said the case of Yao, who was born in Shanghai, was different from another Hong Kong resident, Kwok Man-sam, who was arrested in Shaoguan on allegations of propagating pro-democracy concepts.

Chinese authorities have obviously regarded Yao, 21, as a Chinese national. The Yao family came to Hong Kong in August 1982, during the wave of migration when mainlanders were allowed to settle in the territory.

However, Yao returned to Beijing a year ago to further his tertiary studies at Fudan University, an institute traditionally known for its active role in promoting democratic and communist concepts, and he should have returned to Hong Kong either last month or this month to complete the formalities to qualify as a "Hong Kong believer".

But his arrest in early June prevented him from returning to Hong Kong and technically he is not regarded as a "Hong Kong believer", but still a Chinese citizen.

The Chinese authorities claim that the younger Yao had been a member of Shanghai's Autonomous Students' Federation and had been active in the student movement, not only in his university and in the municipality but also in Beijing.

His parents claim, however, that he left Shanghai on Saturday, June 3, and arrived in Beijing only after the Tiananmen Square incident.

He was not in Shanghai when pro-democracy rioters set fire to a train that ran over students a few kilometres from Shanghai.

Sources indicated that Chinese authorities were prepared to be lenient to Kwok Man-sum and another Hong Kong resident, Mr Lee Cheuk-yan, a member of the

Hong Kong Alliance in Support of the Patriotic Movement in China. Mr Lee was released after he signed a confession shortly after his arrest on June 5.

Both Kwok and Mr Lee's Hong Kong-resident status is believed to have weighed upon the Chinese leadership when their case was examined.

**Macao**

**NPC Delegate Declines To Explain Statements**

HK2107044189 Hong Kong SOUTH CHINA  
MORNING POST in English 21 Jul 89 p 7

[By Adam Lee in Macao]

[Text] Macao's only delegate to the Chinese National People's Congress (NPC) Standing Committee, Mr Ma Man-kei, yesterday met Macao Governor Carlos Melancia amid calls for him to explain his controversial statements on the democracy movement in Beijing.

While in the Chinese capital, Mr Ma reportedly said the Macao people had taken part in marches and demonstrations to support the Beijing students because they did not know the real facts in China.

These remarks angered people in Macao and two of Mr Ma's business establishments were set on fire.

Mr Ma returned to Macao on Tuesday when the No. 8 typhoon signal was hoisted and was immediately urged by Macao democracy activists to arrange a press conference to clarify his speeches in Beijing, but he refused.

At 12.30 pm yesterday, Mr Ma arrived at the Governor's palace and was surrounded by a group of reporters.

Mr Ma said he was invited by the Governor for a friendly chat because the Governor had just come back from Lisbon, and he had just returned from China.

He said: "Maybe I would discuss what (Chinese Communist Party) General Secretary Jiang Zemin said about China's policy on Macao." Mr Jiang had said there would be no change in the policy towards Macao.

Mr Ma reiterated that he would not attend a press conference called by the two civic groups, Macao Alliance of Democratic Development and the University of East Asia Students' Concerned Group on the Beijing Student Movement.

He said he had explained his words in a written statement issued earlier. "I am not going to repeat everything," he said.

His meeting with the Governor lasted for just over an hour.



When he left the palace, he was confronted by reporters again.

Mr Ma said his talks with Governor Melancia dwelled on ways to maintain Macao's stability and prosperity and the implementation of the Sino-Portuguese Joint Declaration of Macao.

"I relayed the Chinese leader's message concerning the stability of Macao to the Governor, who said that he would implement the Sino-Portuguese Joint Declaration of Macao."

Mr Ma was asked if his views on the democracy movement had changed only after reading Chinese leader Deng Xiaoping's "June 9 speech".

Before that, Mr Ma had supported the student movement, signed a petition to call for an emergency meeting of the NPC to solve the deadlock of the students' protest and attended a service to mourn the death of people massacred in Beijing.

Mr Ma said "the people were not very clear about what really happened in our country at that time".

"In fact, I only realised more after I read the 'June 9 speech' by Deng Xiaoping," he said.

Mr Zhou Ding, the director of New China News Agency (NCNA) Macao branch, while attending the opening ceremony of a sub-branch of the Bank of China in Macao, was asked about Mr Ma's views.

Mr Zhou said people can change their views.

He also said the main goal of Macao people should be to maintain "the stability and prosperity of Macao".

**Sino-Portuguese Group To Meet in Lisbon**  
*OW2107063589 Beijing XINHUA in English*  
0607 GMT 21 Jul 89

[Text] Beijing, July 21 (XINHUA)—The Sino-Portuguese Joint Liaison Group issued a press communique today, which reads:

It is agreed after consultations by the two sides that the fifth meeting of the Sino-Portuguese Joint Liaison Group will hold its fifth meeting in Lisbon on July 31, 1989 as scheduled and continue their discussions on issues of mutual interest concerning the transition period of Macao.

**Bank of China Opens New Branch**  
*OW2107074689 Beijing XINHUA in English*  
0058 GMT 21 Jul 89

[Text] Macao, July 21 (XINHUA)—The Bank of China (BOC) opened another subbranch in Macao Thursday, to cater to the needs of its growing business here.

It is the third subbranch the bank has added to its Macao branch since Macao entered its transitional period in 1988.

Established in 1950, the Macao branch of the Bank of China is now one of the largest commercial banks in Macao.

By the end of 1988, its total capital reached 2.28 billion U.S. Dollars, its accumulated deposits accounted for about one third of the total deposits of all the banking institutions in Macao. And the loans it provided took up 27.46 percent of the total.

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